

HIS MAJESTY THE KING OF THE BELGIANS, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF THE ITALIAN REPUBLIC, HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS,

DETERMINED to establish the foundations of an ever closer union among the European peoples,

RESOLVED by common action to ensure the economic and social progress of their countries by eliminating the barriers which divide Europe,

AFFIRMING as the essential objective of their efforts the constant improvement of the living and working conditions of their peoples,

RECOGNISING that the removal of existing obstacles calls for concerted action in order to guarantee steady expansion, balanced trade and fair competition,

DESIROUS of strengthening the unity of their economies and of ensuring their harmonious development by diminishing both the disparities between the various regions and the backwardness of the less favoured regions,

DESIROUS of contributing, by means of a common commercial policy, to the progressive abolition of restrictions on international trade,

INTENDING to strengthen the links which bind Europe and overseas countries and desirous of ensuring the development of their prosperity, in accordance with the principles of the Charter of the United Nations,

RESOLVED by the establishment of this combination of resources to strengthen the safeguards of peace and liberty and calling upon the other peoples of Europe who share their ideal to join in their efforts,

HAVE DECIDED to create a European Economic Community and to this end have designated as their plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS:

M. Paul-Henri SPAAK, Minister for Foreign Affairs,

Baron J. Ch. Snoy et d'OPPUEERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Dr. Konrad ADENAUER, Federal Chancellor,

Professor Dr. Walter HALLSTEIN, State Secretary of the Federal Foreign Office;

THE PRESIDENT OF THE FRENCH REPUBLIC:

M. Christian PINEAU, Minister for Foreign Affairs,

M. Maurice FAURE, Under-Secretary of State for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Sign. Antonio SEGNI, President of the Council of Ministers,

Professor Gaetano MARTINO, Minister for Foreign Affairs;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

M. Joseph BECH, Prime Minister, Minister for Foreign Affairs,

M. Lambert SCHAUS, Ambassador, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

de Heer Joseph LUNS, Minister for Foreign Affairs,

de Heer J. LINTHORST HOMAN, Head of the Netherlands delegation to the Intergovernmental Conference;

WHO having exchanged their Full Powers, found in good and due form, have agreed as follows:

Part One

PRINCIPLES

ARTICLE 1

By the present Treaty, the High Contracting Parties establish among themselves a EUROPEAN ECONOMIC COMMUNITY.

ARTICLE 2

It shall be the task of the Community, by establishing a Common Market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relations between its Member States.

ARTICLE 3

For the purposes set out in the preceding Article, the activities of the Community shall include, under the conditions and in accordance with the time-table envisaged in this Treaty:

- (a) the elimination, as between Member States, of customs duties and of quantitative restrictions in regard to the import and export of goods, as well as of all other measures having equivalent effect;
- (b) the establishment of a common customs tariff and of a common commercial policy towards third countries;
- (c) the abolition, as between Member States, of obstacles to the free movement of persons, services and capital;
- (d) the inauguration of a common policy in the field of agriculture;
- (e) the inauguration of a common policy in the field of transport;
- (f) the establishment of a system ensuring that competition in the Common Market is not distorted;
- (g) the adoption of procedures permitting the co-ordination of the economic policies of Member States and the correction of instability in their balances of payments;
- (h) the approximation of their respective national laws to the extent required for the Common Market to function in an orderly manner;
- (i) the creation of a European Social Fund in order to improve the possibilities of employment for workers and to contribute to the raising of their standard of living;

- (j) the establishment of a European Investment Bank to facilitate the economic expansion of the Community by opening up fresh resources; and
- (k) the association of overseas countries and territories with a view to increasing trade and to pursuing jointly the task of economic and social development.

ARTICLE 4

1. The achievement of the tasks entrusted to the Community shall be ensured by the following institutions:

- an ASSEMBLY,
- a COUNCIL,
- a COMMISSION,
- a COURT OF JUSTICE.

Each institution shall act within the limits of the powers conferred upon it by this Treaty.

2. The Council and the Commission shall be assisted by an Economic and Social Committee acting in a consultative capacity.

ARTICLE 5

Member States shall take all measures, whether general or particular, appropriate to ensure the carrying out of the obligations arising out of this Treaty or resulting from the acts of the institutions of the Community. They shall assist the latter in the achievement of its tasks.

They shall abstain from any measures which could jeopardise the attainment of the objectives of this Treaty.

ARTICLE 6

1. Member States shall, in close collaboration with the institutions of the Community, co-ordinate their respective economic policies to the extent necessary to attain the objectives of this Treaty.

2. The institutions of the Community shall take care not to prejudice the internal and external financial stability of the Member States.

ARTICLE 7

Within the field of application of this Treaty, and without prejudice to any particular provisions mentioned therein, any discrimination on the grounds of nationality shall be prohibited.

The Council may, on a proposal of the Commission and after consulting the Assembly, adopt, by qualified majority vote, regulations designed to prohibit such discrimination.

ARTICLE 8

1. The Common Market shall be gradually brought into existence during a transitional period of twelve years.

This transitional period shall be divided into three stages of four years each; the length of each stage may be modified in accordance with the provisions set out below.

2. A group of measures, to be simultaneously initiated and carried through, shall be allotted to each of these stages.

3. Transition from the first to the second stage shall be conditional upon a finding that the objectives specifically laid down in this Treaty for the first stage have been essentially achieved, and that, subject to the exceptions and in accordance with the procedures provided for in this Treaty, all obligations have been met.

This finding shall be unanimously reached by the Council on a report by the Commission at the end of the fourth year. Provided always that a Member State may not prevent unanimity by relying upon the non-fulfilment of its own obligations. Failing unanimity, the first stage shall be automatically extended by one year.

At the end of the fifth year, the Council shall make its finding subject to the same conditions. Failing unanimity, the first stage shall be automatically extended by a further year.

At the end of the sixth year, the Council shall make its finding by qualified majority vote on a report by the Commission.

4. Within one month of the last-mentioned vote any Member State which voted in a minority, or, if the required majority vote was not obtained, any Member State shall be entitled to call upon the Council to appoint an Arbitration Board whose decision shall be binding upon all Member States and upon the institutions of the Community. The Arbitration Board shall consist of three members unanimously designated by the Council on a proposal by the Commission.

If the Council has not made such appointments within one month of being called upon to do so, the members of the Arbitration Board shall be appointed by the Court of Justice within a further period of one month.

The Arbitration Board shall appoint its own Chairman.

The Board shall deliver its award within six months of the Council vote referred to in the last sub-paragraph of paragraph 3.

5. The second and third stages may not be extended or curtailed except in accordance with a decision of the Council acting unanimously on a proposal of the Commission.

6. Nothing in the preceding paragraphs shall cause the transitional period to last more than fifteen years after this Treaty comes into force.

7. Save for the exceptions or derogations provided for in this Treaty, the expiry of the transitional period shall constitute the final date for the entry into force of all the rules provided for and for the completion of all the measures involved in the establishment of the Common Market.

Part Two

FOUNDATIONS OF THE COMMUNITY

TITLE I—FREE MOVEMENT OF GOODS

ARTICLE 9

1. The Community shall be based upon a customs union which shall cover all trade in goods and which shall include the prohibition as between Member States of customs duties on imports and exports and of all charges having equivalent effect, and the adoption of a common customs tariff as against third countries.

2. The provisions of Chapter 1, Section 1 and of Chapter 2 of this Title shall apply to products originating in Member States and to products which come from third countries and which are entitled to free circulation in Member States.

ARTICLE 10

1. Products which come from a third country shall be deemed to be entitled to free circulation in a Member State if the necessary import formalities have been complied with and the appropriate customs duties or charges having equivalent effect have been levied in that Member State and if such products have not benefited from a total or partial drawback of such duties or charges.

2. The Commission shall, before the end of the first year after this Treaty comes into force, determine the methods of administrative co-operation to be adopted for the purpose of applying Article 9 (2), taking into account the need to reduce as far as possible formalities imposed on trade.

Before the end of the first year after this Treaty comes into force, the Commission shall determine the provisions applicable, as regards trade between Member States, to goods coming from another Member State in whose manufacture products have been used on which the exporting Member State has not levied the appropriate customs duties or charges having equivalent effect or has granted total or partial drawback of such duties or charges.

In making such provisions, the Commission shall take into account the rules for the elimination of customs duties within the Community and for the gradual application of the common customs tariff.

ARTICLE 11

The Member States shall take all appropriate measures to enable Governments to carry out the obligations with regard to customs duties which devolve upon them pursuant to this Treaty, within the time-limits laid down.

CHAPTER 1—THE CUSTOMS UNION

SECTION 1

THE ELIMINATION OF CUSTOMS DUTIES AS BETWEEN MEMBER STATES

ARTICLE 12

Member States shall refrain from introducing, as between themselves, any new customs duties on imports or exports or any charges having equivalent effect, and from increasing those which they already levy on their trade with each other.

ARTICLE 13

1. Customs duties on imports in force as between Member States shall be gradually abolished by them during the transitional period in accordance with Articles 14 and 15.

2. Taxes having an equivalent effect to customs duties on imports in force as between Member States shall be gradually abolished by them during the transitional period. The Commission shall determine by means of directives the timetable for such abolition. It shall be guided by the rules provided for in Article 14 (2) and (3), and by the directives adopted by the Council in application of Article 14 (2).

ARTICLE 14

1. For each product, the basic duty to which the successive reductions shall apply shall be the duty applied on January 1, 1957.

2. The timetable for the reductions shall be determined as follows:

- (a) during the first stage, the first reduction shall be made one year after the date when this Treaty comes into force; the second reduction, eighteen months later; and the third reduction, at the end of the fourth year after the date when this Treaty comes into force;
- (b) during the second stage, a reduction shall be made eighteen months after its commencement; a second reduction, eighteen months after the preceding one; and a third reduction one year later;
- (c) any remaining reductions shall be made during the third stage; the Council shall determine the timetable by means of directives, by a qualified majority vote on a proposal of the Commission.

3. At the time of the first reduction, Member States shall introduce, as between themselves, a duty on each product equal to the basic duty minus 10 per cent.

At the time of each subsequent reduction, each Member State shall reduce its customs duties as a whole in such manner as to diminish by 10 per cent. its total customs receipts, as defined in paragraph 4; and in such a manner as to reduce the duty on each product by at least 5 per cent. of the basic duty.

So long, however, as the duty on any particular product still exceeds 30 per cent., it shall be reduced by at least 10 per cent. of the basic duty on the occasion of each reduction.

4. The total customs receipts of each Member State, referred to in paragraph 3, shall be calculated by multiplying the value of its imports from other Member States during 1956 by the basic duties.

5. Any special problems raised by giving effect to the preceding paragraphs shall be settled by directives issued by the Council acting by qualified majority vote on a proposal of the Commission.

6. Member States shall report to the Commission as to how the preceding rules for the reduction of duties have been given effect to. They shall endeavour to ensure that the reduction applied to the duties on each product shall amount:

- at the end of the first stage, to at least 25 per cent. of the basic duty; and
- at the end of the second stage, to at least 50 per cent. of the basic duty.

If the Commission is satisfied that there is a risk that the objectives laid down in Article 13, and the percentages laid down in this paragraph, cannot be achieved, it shall make any appropriate recommendations to Member States.

7. The provisions of this Article may be amended by the Council, acting by unanimous vote on a proposal of the Commission after the Assembly has been consulted.

ARTICLE 15

1. Notwithstanding the provisions of Article 14, any Member State may, in the course of the transitional period, suspend in whole or in part the collection of the duties imposed by it on products imported from other Member States. It shall inform other Member States and the Commission thereof.

2. The Member States hereby declare their readiness to reduce customs duties against other Member States, more rapidly than provided for under Article 14 if their general economic condition and the state of the economic sector concerned make it possible for them to do so.

The Commission shall make recommendations for this purpose to the Member States concerned.

ARTICLE 16

Member States shall, as between themselves, abolish customs duties on exports and charges having equivalent effect at latest by the end of the first stage.

ARTICLE 17

1. The provisions of Articles 9 to 15 (1), inclusive, shall also apply to customs duties of a fiscal character. Such duties shall not, however, be taken into consideration for the purpose of calculating either total customs receipts or the reduction of customs duties as a whole referred to in Articles 14 (3) and (4).

Such duties shall, at each reduction, be diminished by not less than 10 per cent. of the basic duty. Member States may reduce such duties more rapidly than is provided for in Article 14.

2. Member States shall, before the end of the first year after this Treaty comes into force, inform the Commission as to their customs duties of a fiscal character.

3. Member States shall retain the right to replace these duties by an internal charge which complies with the provisions of Article 95.

4. If the Commission is satisfied that the replacement of any particular fiscal duty in any Member State would meet with serious difficulties, it shall authorise that State to retain the said duty on condition that the said State shall abolish it not more than six years after this Treaty comes into force. Such authorisation shall be requested before the end of the first year after this Treaty comes into force.

SECTION 2

ESTABLISHMENT OF THE COMMON CUSTOMS TARIFF

ARTICLE 18

Member States hereby declare their readiness to contribute to the development of international trade and the removal of obstacles thereto by entering into agreements, based on reciprocity and mutual advantage, whose object it shall be to reduce customs duties below the general level permitted by the customs union between them.

ARTICLE 19

1. Subject to the conditions and within the limits provided for hereafter duties in the common customs tariff shall be established at the arithmetical average of the duties applied in the four customs territories comprised in the Community.

2. The duties taken as the basis for calculating this average shall be those applied by Member States on 1 January 1957.

In the case of the Italian tariff, however, the duty applied shall be deemed to be that levied before the temporary 10 per cent. reduction. Furthermore, with respect to items on which the Italian tariff contains a contractual duty, this duty shall be substituted for the duty applied, as defined above, provided that it does not exceed the latter by more than 10 per cent. If the contractual duty exceeds the duty applied, as defined above, by more than 10 per cent., the latter duty, increased by 10 per cent., shall be taken as the basis for calculating the arithmetical average.

With respect to items in List A, the duties shown in that List shall be substituted for the duties applied in calculating the arithmetical average.

3. The duties in the common customs tariff shall not exceed:

- (a) 3 per cent. for products covered by the tariff headings in List B;
 - (b) 10 per cent. for products covered by the tariff headings in List C;
 - (c) 15 per cent. for products covered by the tariff headings in List D;
 - (d) 25 per cent. for products covered by the tariff headings in List E.
- Where, in respect of such products, the tariff of the Benelux countries contains a duty not exceeding 3 per cent., such duty shall, for the purpose of calculating the arithmetical average, be raised to 12 per cent.

4. The duties applicable to products in List F shall be those provided for therein.

5. The Lists of tariff headings referred to in this Article and in Article 20 are set out in Annex I to this Treaty.

ARTICLE 20

The duties applicable to the products in List G shall be determined by negotiation between the Member States. Each Member State may add further products to this List within a limit of 2 per cent. of the total value of its imports from third countries in the course of the year 1956.

The Commission shall take all appropriate steps to ensure that such negotiations shall be undertaken before the end of the second year after this Treaty comes into force and be concluded before the end of the first stage.

If, in respect of any products, no agreement can be reached within these time-limits, the Council shall, on a proposal of the Commission, determine the duties in the common customs tariff, acting unanimously until the end of the second stage and thereafter by qualified majority vote.

ARTICLE 21

1. Technical difficulties which may arise in the application of Articles 19 and 20 shall be resolved, within two years of this Treaty coming into force, by directives issued by the Council acting by qualified majority vote on a proposal of the Commission.

2. Before the end of the first stage, or at latest when the duties are determined, the Council shall, by qualified majority vote on a proposal of the Commission, decide on any adjustments required in the interests of the internal balance of the common customs tariff as a result of giving effect to the rules set out in Articles 19 and 20; in this context particular account shall be taken of the degree of processing undergone by the various products to which the common tariff applies.

ARTICLE 22

The Commission shall, within two years of this Treaty coming into force, determine the extent to which the customs duties of a fiscal character, referred to

in Article 17 (2), shall be taken into account in calculating the arithmetical average provided for in Article 19 (1). The Commission shall take due account of the protective element which may be included in such duties.

Within the six months following such determination, any Member State may request that the procedure provided for in Article 20 shall be applied to the product in question, but in this event shall not be bound by the limit* provided for in that Article.

ARTICLE 23

1. With a view to the gradual introduction of the common customs tariff, Member States shall amend their tariffs as against third countries, as follows:

- (a) in the case of tariff headings on which the duties applied on 1 January 1957 do not differ by more than 15 per cent. in either direction from the duties provided for under the common customs tariff, the latter duties shall be applied at the end of the fourth year after this Treaty shall have come into force;
- (b) in the case of other tariff headings, each Member State shall, as from the same date, apply a duty which shall have the effect of reducing by 30 per cent. the difference between the duty applied on 1 January 1957 and that provided for under the common customs tariff;
- (c) at the end of the second stage this difference shall again be reduced by 30 per cent;
- (d) in the case of tariff positions for which the duties under the common customs tariff are not known at the end of the first stage, each Member State shall, within six months of the Council's determination in accordance with Article 20, apply such duties as shall result from giving effect to this paragraph.

2. Any Member State which has been granted an authorisation under Article 17 (4), need not, for as long as that authorisation remains valid, apply the preceding provisions to the tariff headings covered by the authorisation. When such authorisation expires the Member State concerned shall impose such duty as results from giving effect to the preceding paragraph.

3. The common customs tariff shall be applied in its entirety at latest upon the expiry of the transitional period.

ARTICLE 24

Member States shall be entitled, in order to assimilate the duties they apply to those provided for under the common customs tariff, to modify these duties more rapidly than is provided for under Article 23.

ARTICLE 25

1. If the Commission is satisfied that the production in the Member States of particular products contained in Lists B, C and D is insufficient to supply the demands of one of them, and that such supply traditionally depends

(* Note: French text. German text says "Percentage limit". French text probably means this, as time-limit would probably be *délai*.)

to a considerable extent on imports from third countries, the Council shall, by qualified majority vote on a proposal of the Commission, grant the Member State concerned tariff quotas at a reduced rate of duty or duty free.

Such quotas may not exceed the limits beyond which the danger might arise of commercial activities being transferred to the detriment of other Member States.

2. In the case of the products in List E, and of those in List G for which the rates of duty have been determined in accordance with the procedure provided for under Article 20 (3), the Commission shall, where a change in sources of supply or a shortage of supplies within the Community is of such nature as to entail harmful consequences for the processing industries of a Member State, at the request of that Member State, grant it tariff quotas at a reduced rate of duty or duty free. Such quotas shall not exceed the limits beyond which the danger might arise of commercial activities being transferred to the detriment of other Member States.

3. In the case of the products listed in Annex II to this Treaty, the Commission may authorise any Member State to suspend, in whole or in part, collection of the duties chargeable or may grant such Member State tariff quotas at a reduced rate of duty or duty free, provided that no serious disturbance in the market of the products concerned results therefrom.

4. The Commission shall periodically examine tariff quotas granted pursuant to this Article.

ARTICLE 26

The Commission may authorise any Member State encountering special difficulties to postpone the lowering or raising of duties provided for by Article 23 on particular tariff headings in its national tariff.

Such authorisation may only be granted for a limited period and in respect of tariff headings which, taken together, represent for such State not more than 5 per cent. of the value of its total imports from third countries in the course of the latest year for which statistical data are available.

ARTICLE 27

Before the end of the first stage, Member States shall, in so far as may be necessary, take steps to approximate their legislative and administrative provisions in respect of customs matters. The Commission shall submit to Member States all appropriate recommendations to this end.

ARTICLE 28

Any independent modification or suspension of duties in the common customs tariff shall be unanimously decided by the Council. However, after the transitional period has expired, the Council may, by qualified majority vote on a proposal of the Commission, decide on modifications or suspensions which shall not exceed 20 per cent. of the rate in the case of any duty and shall not be for a period which exceeds six months. Under the same conditions such modifications or suspensions may be prolonged, but only for one further period of six months.

ARTICLE 29

In carrying out the tasks entrusted to it under this Section the Commission shall be guided by:

- (a) the need to promote trade between the Member States and third countries;
- (b) the development of conditions of competition within the Community in so far as this leads to an improvement in the competitive capacity of commercial concerns;
- (c) the Community's requirements as regards the supply of raw materials and semi-finished goods; in this respect the Commission shall take care to avoid distorting, as between Member States, conditions of competition in respect of finished goods;
- (d) the need for avoiding serious disturbances in the economies of Member States and for ensuring rational development of production and an expansion of consumption within the Community.

CHAPTER 2—THE ELIMINATION OF QUANTITATIVE RESTRICTIONS AS BETWEEN MEMBER STATES

ARTICLE 30

Quantitative restrictions on imports and all measures having equivalent effect shall, without prejudice to the following provisions, be prohibited as between Member States.

ARTICLE 31

Member States shall not introduce as between themselves any new quantitative restrictions or measures having equivalent effect.

This obligation shall, however, only relate to the degree of liberalisation attained in pursuance of the decisions of the Council of the Organisation for European Economic Co-operation of 14 January 1955. Member States shall supply the Commission, not more than six months after this Treaty comes into force, with lists of the products liberalised by them in pursuance of these decisions. These lists shall be consolidated between Member States.

ARTICLE 32

In their trade with one another, Member States shall not make quotas and measures having equivalent effect which were in existence when this Treaty came into force, more restrictive than they were.

Such quotas shall be abolished not later than the date when the transitional period expires. During this period, they shall be gradually abolished in accordance with the conditions specified below.

ARTICLE 33

1. One year after this Treaty shall have come into force, each Member State shall transform any bilateral quotas which may be open to any other Member States into global quotas open without discrimination to all other Member States.

On the same date, Member States shall increase the aggregate of the global quotas so established in such a manner as to bring about an increase of not less than 20 per cent. in their total value as compared with the preceding year. The global quota for each product shall at the same time be increased by not less than 10 per cent.

The quotas shall be increased annually in accordance with the same provisions and in the same proportions in relation to the preceding year.

The fourth increase shall take place at the end of the fourth year after this Treaty shall have come into force; and the fifth, one year after the beginning of the second stage.

2. Where, in the case of a product which has not been liberalised, the global quota does not amount to 3 per cent. of the national production of the State concerned, a quota equal to not less than 3 per cent. of such national production shall be introduced not later than one year after this Treaty comes into force. This quota shall be raised to 4 per cent. at the end of the second year, and to 5 per cent. at the end of the third. Thereafter, the Member State concerned shall increase the quota by not less than 15 per cent. annually.

Wherever there is not such national production the Commission shall issue a decision determining an appropriate quota.

3. At the end of the tenth year, each quota shall be equal to not less than 20 per cent. of the national production.

4. If the Commission states by means of a decision that it is satisfied that during two successive years the imports of any product have been below the level of the quota authorised, this global quota shall not be taken into account in calculating the total value of the global quotas. In such case, the Member State shall abolish quota restrictions on the product concerned.

5. In the case of quotas representing more than 20 per cent. of the national production of the product concerned, the Council may, by qualified majority vote on a proposal of the Commission, reduce the minimum percentage of 10 per cent. laid down in paragraph 1 of this Article. This modification shall not, however, affect the obligation to increase the total value of global quotas by 20 per cent. annually.

6. Member States which have exceeded their obligations as regards the level of liberalisation reached in pursuance of the decisions of the Council of the Organisation for European Economic Co-operation of 14 January 1955 shall be entitled, when calculating the annual total increase of 20 per cent. provided for in paragraph 1 of this Article, to take into account the amount of independently liberalised imports. Such calculation shall be submitted to the Commission for its prior approval.

7. The Commission shall issue directives establishing the procedure and timetable in accordance with which Member States shall abolish, as between themselves, any measures having an effect equivalent to quotas which exist when this Treaty comes into force.

8. If the Commission is satisfied that, if effect were given to the provisions of this Article, and in particular to the provisions concerning percentages, it would be impossible to ensure the continuous gradual abolition of quotas provided for in Article 32 (2), the Council may, on a proposal of the Commission, amend the procedure laid down in this Article and may, in particular, increase the percentages provided for; any decision on this matter shall be a unanimous one during the first stage and by qualified majority vote thereafter.

ARTICLE 34

1. Quantitative restrictions on exports, and any measures having equivalent effect, are prohibited as between Member States.

2. Member States shall, at latest by the end of the first stage, abolish all quantitative restrictions on exports and any measures having equivalent effect which are in existence when this Treaty comes into force.

ARTICLE 35

Member States hereby declare their readiness to abolish quantitative restrictions on imports and exports, in respect of other Member States, more rapidly than is provided for in the preceding Articles, if their general economic condition and the state of the sector of the industry concerned so permit.

The Commission shall make recommendations for this purpose to the States concerned.

ARTICLE 36

The provisions of Articles 30 to 34 inclusive shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on the grounds of public morality; public policy (*ordre public*); public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial and commercial property (*propriété industrielle*). Provided always that such prohibitions or restrictions shall not be used as a means of arbitrary discrimination nor as a disguised restriction on trade between Member States.

ARTICLE 37

1. Member States shall gradually adjust any State trading monopolies so as to ensure that, when the transitional period expires, no discrimination exists between the nationals of Member States as regards the supply or marketing of goods.

The provisions of this Article shall apply to any organisation through which a Member State, *de jure* or *de facto*, either directly or indirectly controls, supervises or appreciably influences imports or exports as between Member States. These provisions shall likewise apply to monopolies delegated by the State to other legal entities.

2. Member States shall abstain from introducing any new measure which is contrary to the principles laid down in paragraph 1 of this Article or which restricts the scope of the Articles dealing with the abolition of customs duties and quantitative restrictions between Member States.

3. The timetable for the measures referred to in paragraph 1 shall be harmonised with the abolition of the quantitative restrictions on the same products, as provided for in Articles 30 to 34 inclusive.

If a product is subject to a State trading monopoly in only one or some Member States, the Commission may authorise the other Member States to impose protective measures until the adjustment provided for in paragraph 1 of this Article has been effected; the Commission shall decide upon the conditions governing such measures and determine the manner in which effect shall be given to them.

4. If a State trading monopoly has rules which are designed to facilitate the distribution or marketing of agricultural products, the rules contained in this Article shall be given effect to in such a manner that equivalent guarantees are provided, in respect of the employment and standard of living of the producers concerned; account shall be taken of possible adjustments and of necessary specialisations.

5. The obligations on Member States shall be binding only in so far as they are consistent with existing international agreements.

6. At the beginning of the first stage the Commission shall make recommendations as to the manner of effecting the adjustment provided for in this Article and the timetable which shall govern it.

TITLE II—AGRICULTURE

ARTICLE 38

1. The Common Market shall extend to agriculture and trade in agricultural products. The term "Agricultural products" shall mean the products of the soil, of stock-breeding and of fisheries and products which have been subjected to first-stage processing and are directly related to the afore-mentioned products.

2. The rules laid down for the establishment of the Common Market shall apply to agricultural products, except where there are provisions to the contrary in Articles 39 to 46 inclusive.

3. The products subject to the provisions of Articles 39 to 46 inclusive are listed in Annex II of this Treaty. Within a period of two years after this Treaty's coming into force the Council shall, by a qualified majority vote on a proposal of the Commission, decide what products should be added to this list.

4. The operation and development of the Common Market for agricultural products must be accompanied by the establishment of a common agricultural policy among the Member States.

ARTICLE 39

1. The objectives of the common agricultural policy shall be:

- (a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of all factors of production, in particular labour;

- (b) thus to ensure a fair standard of living for the agricultural community, particularly by increasing the individual earnings of persons engaged in agriculture;
- (c) to stabilise markets;
- (d) to guarantee supplies;
- (e) to ensure the delivery of supplies to consumers at reasonable prices.

2. In working out the common agricultural policy and any special methods which this may involve, account shall be taken of:

- (a) the distinctive nature of agricultural activity, which results from agriculture's social structure and from structural and natural disparities between the various agricultural regions;
- (b) the need to effect the appropriate adjustments gradually;
- (c) the fact that, in the Member States, agriculture constitutes a sector closely linked with the economy as a whole.

ARTICLE 40

1. Member States shall gradually develop a common agricultural policy during the transitional period and shall bring it into force not later than at the end of that period.

2. In order to achieve the objectives set out in Article 39 a common organisation for agricultural markets shall be established.

This organisation shall take one of the following forms depending on the product concerned:

- (a) common rules as regards competition;
- (b) compulsory co-ordination of the various national marketing organisations; or
- (c) a European marketing organisation.

3. The common organisation established in accordance with paragraph 2 of this Article may include all measures required to achieve the objectives set out in Article 39, in particular price controls, subsidies for the production and distribution of the various products, arrangements for stock-piling and carry-forward, and common arrangements for the stabilisation of imports and exports.

The common organisation shall confine itself to pursuing the objectives set out in Article 39 and shall exercise no discrimination between producers or consumers within the Community.

Any common price policy shall be based on common criteria and uniform methods of calculation.

4. In order to enable the common organisation referred to in paragraph 2 of this Article to achieve its objectives, one or more agricultural orientation and guarantee funds may be set up.

ARTICLE 41

In order to achieve the objectives set out in Article 39, provision may specifically be made within the framework of the common agricultural policy for:

- (a) an effective co-ordination of efforts in the spheres of vocational training, research and the dissemination of technical knowledge; this may include jointly financed projects or institutions.
- (b) joint measures to develop the consumption of certain products.

ARTICLE 42

The provisions of the chapter dealing with the rules of competition shall only apply to the production of, and trade in, agricultural products to the extent determined by the Council within the framework of Articles 43 (2) and (3) and in accordance with the procedure laid down therein, account being taken of the objectives defined in Article 39.

The Council may, in particular, authorise the grant of aid:

- (a) for the protection of undertakings handicapped by structural or natural conditions;
- (b) within the framework of economic development programmes.

ARTICLE 43

1. In order to define the broad lines of a common agricultural policy, the Commission shall, immediately this Treaty comes into force, convene a conference of Member States, which shall compare their agricultural policies, in particular by producing a statement of their resources and needs.

2. Within two years of this Treaty's coming into force, the Commission shall submit proposals for working out the common agricultural policy and putting it into effect. These proposals shall take account of the work of the conference provided for in paragraph 1 of this Article and be made after consulting the Economic and Social Committee. The common agricultural policy shall include the substitution for national organisations of one of the forms of common organisation provided for in Article 40 (2) and the putting into effect of the measures specified in this Title.

These proposals shall take account of the interrelation of the agricultural questions which have been mentioned in this Title.

The Council, acting on a proposal of the Commission, and after consulting the Assembly, shall adopt regulations or directives, or take decisions, without prejudice to any recommendations the Council may make. The Council shall so act, during the first two stages unanimously and thereafter by qualified majority vote.

3. The Council may, by qualified majority vote, and in accordance with paragraph 2 of this Article, substitute the common organisation provided for in Article 40 (2), for national marketing organisations if:

- (a) the common organisation offers to Member States which are opposed to this measure and which have a national organisation of their own for the product in question, equivalent guarantees ensuring the employ-

ment and standard of living of the producers concerned and which take the timetable of possible adjustments and necessary specialisations into account; and

- (b) such an organisation ensures conditions for trade within the Community similar to those existing in a national market.

4. If a common organisation for certain raw materials is set up before a common organisation exists for the corresponding processed products, such raw materials for processed products as are intended for export to third countries may be imported from outside the Community.

ARTICLE 44

1. In so far as the gradual abolition of customs duties and quantitative restrictions between Member States could result in prices likely to jeopardise the achievement of the objectives set out in Article 39, each Member State shall be entitled, during the transitional period, to apply to particular products, in a non-discriminatory manner and in substitution for quotas, and to such an extent as shall not impede the expansion of the volume of trade provided for in Article 45 (2), a system of minimum prices below which imports may be:

- temporarily suspended or reduced; or
- imported on condition that their price shall be higher than the minimum price fixed for the product concerned.

In the second event the minimum prices shall not include customs duties.

2. Minimum prices shall not be such as to cause a reduction of the trade existing between Member States when this Treaty comes into force nor such as to obstruct a gradual expansion of this trade. Minimum prices shall not be so applied as to form an obstacle to the development of a natural preference between Member States.

3. As soon as this Treaty comes into force the Council shall, on a proposal of the Commission, determine objective criteria for the establishment of minimum price systems and for the fixing of such prices.

These criteria shall in particular take account of the average national costs of production in the Member State applying the minimum price, of the state of the various undertakings concerned in relation to such average costs and of the need to promote both a progressive improvement of agricultural operations and the adjustments and specialisations needed within the Common Market.

The Commission shall further propose a procedure for revising these criteria, so as to take account of, and accelerate, technical progress and progressively to approximate prices within the Common Market.

These criteria and the procedure for revising them shall be unanimously determined by the Council within three years of this Treaty's coming into force.

4. Until the Council's decision takes effect, Member States may fix minimum prices on condition that they first communicate them to the Commission and to the other Member States so as to enable them to submit their comments.

As soon as the Council has taken its decision, Member States shall fix minimum prices based on the criteria established in accordance with the foregoing provisions.

The Council may, by qualified majority vote on a proposal of the Commission, rectify any decisions taken by Member States which do not conform with the criteria thus defined.

5. In the case of products in respect of which the aforementioned objective criteria have not been settled when the third stage begins, the Council may, by qualified majority vote on a proposal of the Commission, modify the minimum prices applied to these products.

6. When the transitional period ends, a table of minimum prices still in force shall be drawn up. The Council, acting on a proposal of the Commission and by a majority of nine votes, in accordance with the weighting provided for in Article 148 (2) (1), shall determine the system to be applied within the framework of the common agricultural policy.

ARTICLE 45

1. Until national organisations have been replaced by one of the forms of common organisation referred to in Article 40 (2) trade in products in respect of which particular Member States have:

- arrangements designed to guarantee to national producers a market for their products, and
- a requirement to import,

shall be developed by the conclusion of long-term agreements or contracts between exporting and importing Member States.

Such agreements or contracts shall be directed towards the progressive abolition of any discrimination in the application of the said arrangements to the various producers within the Community.

The conclusion of such agreements or contracts shall take place during the first stage; the principle of reciprocity shall be taken into account.

2. As regards quantities, such agreements or contracts shall be based on the average volume of trade between Member States in the products concerned during the three years before this Treaty comes into force; such agreements or contracts shall envisage an increase in the volume of trade within the limits of existing requirements, taking account of traditional patterns of trade.

As regards prices, such agreements or contracts shall enable producers to dispose of the agreed quantities at prices which shall be progressively approximated to those paid to national producers in the purchasing country's domestic market.

This approximation of prices shall be effected as regularly as possible and shall be completed not later than the end of the transitional period.

Prices shall be negotiated between the parties concerned within the framework of directives drawn up by the Commission for the purpose of implementing the preceding two sub-paragraphs.

If the first stage is extended, such agreements or contracts shall continue to be carried out under the conditions applicable at the end of the fourth year after this Treaty comes into force, but the obligations to increase quantities and to approximate prices shall be suspended until the second stage begins.

Member States shall avail themselves of any opportunity open to them under their legislation, particularly in the field of import policy, to ensure the conclusion and carrying out of these agreements or contracts.

3. To the extent that Member States require raw materials for the production of goods intended for export outside the Community in competition with the products of third countries, such agreements or contracts shall not preclude the importation from third countries of raw materials intended for this purpose. Provided that this provision shall not apply if the Council unanimously decides to supply the sums needed to make good the difference between the higher price incurred in respect of goods imported for this purpose on the basis of such agreements or contracts and the delivery prices of the same goods on the world market.

ARTICLE 46

Where in a Member State there is a national marketing organisation for a particular product, or where such product is subject to rules having equivalent effect, and where the competitive position of a similar product in another Member State is affected thereby, Member States shall levy a countervailing duty on the import of the said product from the Member State in which such organisation exists or where there are such rules, unless the latter State levies a countervailing duty on the export of the said product.

The Commission shall set the amount of such duties at the level necessary to redress the balance; it may also authorise recourse to other measures the conditions and details of which it shall determine.

ARTICLE 47

The agricultural section of the Economic and Social Committee shall place itself at the disposal of the Commission in order to prepare the ground, in accordance with Articles 197 and 198, for the Committee's deliberations in respect of the tasks assigned to it under this Title of the Treaty.

TITLE III—THE FREE MOVEMENT OF PERSONS, SERVICES AND CAPITAL

CHAPTER 1—LABOUR

ARTICLE 48

1. The free movement of labour shall be secured within the Community not later than by the end of the transitional period.

2. Such freedom of movement shall entail the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other labour conditions.

3. It shall entail the right, subject to limitations justified on the grounds of public policy (*ordre public*), public security and public health:

- (a) to accept offers of employment actually made;
- (b) to move freely within the territory of Member States for this purpose;
- (c) to stay in a Member State for the purpose of employment in accordance with the legislative and administrative regulations governing the employment of nationals of that state;
- (d) to remain in the territory of a Member State after having been employed in that State, subject to conditions which shall be the subject of implementing regulations to be drawn up by the Commission.

4. The provisions of this Article shall not apply to employment in the public service.

ARTICLE 49

When this Treaty comes into force, the Council, acting on a proposal of the Commission and after the Economic and Social Committee has been consulted, shall issue directives or regulations setting out the measures required to bring about, by progressive stages, the free movement of workers, as defined in the preceding Article, in particular:

- (a) by ensuring close collaboration between national labour authorities;
- (b) by systematically and progressively abolishing such administrative procedures and practices and such waiting periods in respect of eligibility for available employment as result either from domestic legislation or from agreements previously concluded between Member States, the maintenance of which would be an obstacle to the freeing of movement of labour;
- (c) by systematically and progressively abolishing all qualifying periods and other restrictions provided for either under domestic legislation or under agreements previously concluded between Member States which impose on workers of other Member States conditions for the free choice of employment other than those imposed on workers of the State concerned; and
- (d) by setting up appropriate machinery for matching offers of and requests for employment and for equating labour supply with demand, in conditions ensuring the avoidance of serious threats to the standard of living and employment in the various regions and industries.

ARTICLE 50

Member States shall encourage, within the framework of a common programme, the exchange of young workers.

ARTICLE 51

The Council acting unanimously on a proposal of the Commission, shall adopt in the field of social security, the measures necessary to ensure the free movement of labour, in particular by introducing a system which will ensure to migrant workers and their dependants that:

- (a) all qualifying periods for benefits under the domestic legislation of the countries concerned shall be added together for the purposes of qualifying for and retaining the right to benefits and for the calculation of these benefits;
- (b) these benefits will be paid to persons resident in the territories of Member States.

CHAPTER 2—THE RIGHT OF ESTABLISHMENT

ARTICLE 52

Within the framework of the provisions set out below, restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be abolished by progressive stages in the course of the transitional period. Such progressive abolition shall also apply to restrictions on the setting up of agencies, branches or subsidiaries by nationals of any Member State established in the territory of any Member State.

Freedom of establishment shall include the right to engage in and carry on non-wage-earning activities, to set up and manage undertakings and, in particular, firms and companies (*sociétés*) within the meaning of Article 58 (2), under the conditions laid down for its own nationals by the law of the country where such establishment is effected, subject to the provisions of the Chapter relating to capital.

ARTICLE 53

Member States shall not introduce any new restrictions on the right of establishment, in their territories, of nationals of other Member States, save where this Treaty otherwise provides.

ARTICLE 54

1. Before the first stage ends the Council shall draw up a general programme for the abolition of existing restrictions on freedom of establishment within the Community. The Council's decision on this shall be a unanimous one, taken on the proposal of the Commission and after consulting the Economic and Social Committee and the Assembly. The Commission shall submit their proposal to the Council during the first two years of the first stage.

This programme shall set out the general conditions under which freedom of establishment is to be achieved in the case of each type of activity and the particular stages by which this is to be achieved.

2. The Council shall issue directives in order to initiate this general programme or, in the absence of such a programme, in order to move a stage towards achieving freedom of establishment as regards a particular activity. The Council shall so act on a proposal of the Commission and after consulting the Economic and Social Committee and the Assembly. The Council's decision as to these directives shall be reached unanimously during the first stage and thereafter by a qualified majority vote.

3. The Council and the Commission shall carry out the duties devolving upon them under the above provisions, in particular:

- (a) by according, as a general rule, priority treatment to activities where freedom of establishment makes a particularly valuable contribution to the development of production and trade;
- (b) by ensuring close collaboration between the competent national authorities in order to make them better acquainted with the particular situation within the Community of the various activities concerned;
- (c) by abolishing those administrative procedures and practices, whether resulting from domestic legislation or from agreements previously concluded between Member States, the maintenance of which would be an obstacle to freedom of establishment;
- (d) by ensuring that wage-earning workers of one Member State employed in the territory of another Member State may remain in that territory for the purpose of undertaking there a non-wage-earning activity, provided that they satisfy the conditions which they would be required to satisfy if they came to that State at the time when they wished to engage in such activity;
- (e) by enabling a national of one Member State to acquire and exploit land and buildings situated in the Territory of another Member State, provided this is not contrary to the principles laid down in Article 39 (2);
- (f) by effecting the progressive abolition of restrictions on freedom of establishment in every branch of activity under consideration, both as regards the conditions for setting up agencies, branches or subsidiaries in the territory of a Member State and as regards the conditions governing the entry of personnel belonging to the main establishment into managerial or supervisory posts in such agencies, branches and subsidiaries;
- (g) by co-ordinating to the necessary extent and rendering of equal value the guarantees which Member States require of companies within the meaning of Article 58 (2), so as to protect the interests both of Members and outsiders;
- (h) by satisfying themselves that Member States are not impairing the conditions of establishment by making grants.

ARTICLE 55

Activities involving in any Member State the exercise, even occasionally, of government action shall, in so far as that State is concerned, be excluded from the operation of this Chapter.

The Council may by qualified majority vote on a proposal of the Commission, decide that the provisions of this Chapter shall not apply to certain activities.

ARTICLE 56

1. The provisions of this Chapter and measures taken in pursuance thereof shall not invalidate any legislation, regulations and administrative rules providing for special treatment for foreign nationals on the grounds of public policy (*ordre public*), public security and public health.

2. The Council, acting unanimously on a proposal of the Commission, and after consulting the Assembly, shall, before the transitional period ends, issue directives for the co-ordination of the above-mentioned legislation, regulations and administrative rules. After the expiry of the second stage, however, the Council shall, by a qualified majority vote on a proposal of the Commission, issue directives for the co-ordination of such provisions as, in each Member State, are a matter for subordinate legislation.

ARTICLE 57

1. In order to facilitate access to and engagement in non-wage-earning activities, the Council shall issue directives for the mutual recognition of diplomas, certificates and other evidence of qualifications. The Council shall so act, on a proposal of the Commission and after the Assembly has been consulted, during the first stage unanimously and subsequently by qualified majority vote.

2. With the same object, the Council, on a proposal of the Commission and after consulting the Assembly, shall, before the transitional period ends, issue directives for the co-ordination of the legislation, regulations and administrative rules of Member States as regards persons taking up non-wage-earning activities. Voting must be unanimous on the following matters: i.e. those which are the subject of legislation in at least one Member State; those concerned with the protection of savings, in particular the granting of credit and the carrying on of the banking profession; and the conditions governing the carrying on of the medical, para-medical and pharmaceutical professions in the various Member States. In all other cases, the Council shall act unanimously during the first stage and subsequently by qualified majority vote.

3. In the case of the medical, para-medical and pharmaceutical professions, the progressive removal of restrictions shall be dependent upon the conditions for exercising them being co-ordinated in the various Member States.

ARTICLE 58

Companies and firms (*sociétés*) formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community shall, for the purpose of applying the provisions of this Chapter, be treated in the same way as individual nationals of Member States.

The term "firms or companies" (*sociétés*) shall mean firms or companies constituted under civil or commercial law. It shall include co-operative societies and other legal persons (*personnes morales*) under public or private law (*droit public ou privé*), save for firms or companies whose objects do not include the making of profit.

CHAPTER 3—SERVICES

ARTICLE 59

Within the framework of the provisions set out below, restrictions on the freedom of provision of services within the Community shall be progressively abolished during the transitional period in respect of nationals of Member

States who are established in a State of the Community other than that of the person for whom the services are intended.

The Council, acting unanimously, on a proposal of the Commission, may extend the provisions of this Chapter to include services provided by nationals of a third country who are established within the Community.

ARTICLE 60

Services within the meaning of this Treaty shall be deemed to be services normally provided against remuneration, in so far as they are not governed by the provisions relating to the free movement of goods, capital and persons.

Services shall include in particular:

- (a) activities of an industrial character,
- (b) activities of a commercial character,
- (c) artisan activities;
- (d) activities of the liberal professions.

Without prejudice to the provisions of the Chapter relating to the right of establishment, the person providing a service may in order to carry out that service temporarily practise his activity in the State where the service is provided, under the same conditions as are imposed by that State on its own nationals.

ARTICLE 61

1. The free movement of services in respect of transport shall be governed by the provisions of the Title of this Treaty relating to transport.

2. The liberalisation of banking and insurance services connected with movements of capital shall be effected in step with the progressive liberalisation of the movement of capital.

ARTICLE 62

Except where otherwise provided for in this Treaty, Member States shall not introduce any new restrictions on the freedom which has been in fact achieved in regard to the provision of services at the date when this Treaty comes into force.

ARTICLE 63

1. Before the end of the first stage, the Council, acting unanimously, on a proposal of the Commission and after consulting the Economic and Social Committee and the Assembly, shall lay down a general programme for the abolition of restrictions on the free provision of services which exist inside the Community. The Commission shall submit its proposal to the Council during the first two years of the first stage.

The programme shall determine the general conditions and the stages of their liberalisation as regards each class of service.

2. The Council shall issue directives for the implementation of the general programme or if no such programme exists for the achievement of one stage in the liberalisation of a specific service. It shall so act on a proposal of the

Commission and after consulting the Economic and Social Committee and the Assembly. The Council's decision on this shall be unanimous until the first stage ends and thereafter it shall act by qualified majority vote.

3. As regards the proposals and decisions referred to in paragraphs 1 and 2, priority shall as a general rule be given to those services which directly affect production costs or the liberalisation of which facilitates trade in goods.

ARTICLE 64

Member States declare their willingness to undertake the liberalisation of services beyond the extent required by the directives issued in application of Article 63 (2), if their general economic situation and that of the economic sector concerned so permit.

The Commission shall make recommendations to this end to the Member States concerned.

ARTICLE 65

As long as restrictions on the free provision of services have not been abolished, each Member State shall apply such restrictions without distinction on grounds of nationality or residence to all persons providing services within the meaning of Article 59, para. 1.

ARTICLE 66

The provisions of Articles 55 to 58 inclusive shall apply to the matters covered by this Chapter.

CHAPTER 4—CAPITAL

ARTICLE 67

1. During the transitional period, Member States shall, in so far as may be necessary to ensure the proper functioning of the Common Market, progressively abolish between themselves restrictions on the movement of capital belonging to persons resident in Member States and any discrimination based on the nationality or on the place of residence of the parties or on the place where such capital is invested.

2. Current payments connected with movements of capital between Member States shall be free from all restrictions not later than the end of the first stage.

ARTICLE 68

1. Member States shall, as regards matters which are the subject of this Chapter, be as liberal as possible in the granting of such exchange authorisations as are still necessary after this Treaty comes into force.

2. Where a Member State subjects the movements of capital liberalised in accordance with the provisions of this Chapter to its domestic rules governing the capital market and the credit system, it shall do so in a non-discriminatory manner.

3. Loans intended for the direct or indirect financing of a Member State or of its territorial sub-divisions shall not be issued or placed in other Member States unless the States concerned have reached agreement on this. This provision shall not preclude the implementation of Article 22 of the Protocol on the Statute of the European Investment Bank.

ARTICLE 69

The Council, on a proposal of the Commission which for this purpose shall consult the Monetary Committee provided for in Article 105, shall issue the necessary directives for the progressive implementation of the provisions of Article 67. It shall so act by a unanimous decision during the first two stages and subsequently by means of a qualified majority vote.

ARTICLE 70

1. The Commission shall propose to the Council measures for the progressive co-ordination of the exchange policies of Member States in respect of the movement of capital between those States and third countries. The Council shall by unanimous vote issue directives for this purpose. It shall endeavour to achieve the highest possible degree of liberalisation.

2. Where the measures taken in accordance with the preceding paragraph do not permit the elimination of differences between the exchange rules of Member States and where such differences lead persons resident in one of the Member States to make use of the transfer facilities within the Community, as provided for under Article 67, in order to evade the rules of one of the Member States in regard to third countries, that State may, after consulting the other Member States and the Commission, take appropriate measures to overcome these difficulties.

Should the Council establish that such measures are restricting the free movement of capital within the Community to a greater extent than is required for the purposes of the preceding paragraph, it may, acting by qualified majority vote on a proposal of the Commission, decide that the State concerned shall modify or abolish these measures.

ARTICLE 71

Member States shall endeavour to avoid introducing within the Community any new exchange restrictions on the movement of capital and current payments connected with such movement, and shall endeavour not to render existing regulations more restrictive.

They declare their willingness to go beyond the degree of liberalisation of capital provided for in the preceding Articles in so far as their economic situation and in particular the state of their balance of payments permits.

The Commission may, after consulting the Monetary Committee, make recommendations to Member States on this subject.

ARTICLE 72

Member States shall keep the Commission informed of any movements of capital to and from third countries which they know about. The Commission may address to Member States any comments which it deems appropriate on this subject.

ARTICLE 73

1. If movements of capital lead to disturbances in the operation of the capital market in any Member State, the Commission shall, after consulting the Monetary Committee, authorise such State to take protective measures in the field of capital movements, the conditions and details of which the Commission shall determine.

The Council may, by qualified majority vote, revoke this authorisation and may modify these conditions or details.

2. Any Member State which is in difficulties may itself take the measures mentioned above on grounds of secrecy or urgency, should such measures prove necessary. The Commission and the other Member States shall be informed of such measures not later than the date when they come into force. In this case, the Commission may, after consulting the Monetary Committee, decide that the State concerned shall modify or abolish such measures.

TITLE IV—TRANSPORT

ARTICLE 74

The objectives of this Treaty shall, as regards the subjects covered by this Title of the Treaty, be pursued by the Member States within the framework of a common transport policy.

ARTICLE 75

1. The Council shall implement Article 74 by:

- (a) laying down common rules applicable to international transport from or to the territory of a Member State or passing across the territory of one or more Member States;
- (b) determining the conditions under which non-resident transport concerns may operate transport services within a Member State;
- (c) making any other appropriate provisions.

When acting in pursuance of this Article, the Council shall have regard to the special circumstances which affect transport and shall act on a proposal of the Commission and after consulting the Economic and Social Committee and the Assembly. It shall so act unanimously until the end of the second stage and thereafter by qualified majority vote.

2. The provisions referred to under (a) and (b) of the preceding paragraph shall be laid down during the transitional period.

3. The procedure laid down in paragraph 1, shall not apply to the provisions governing the principles of transport management in any case where this could seriously affect the standard of living and the level of employment in certain areas or the use of transport facilities. In such cases the Council, acting unanimously, shall lay down the procedure to be followed. It shall, when so acting, take into account the necessity of adaptation to economic developments resulting from the establishment of the Common Market.

ARTICLE 76

Until the provisions referred to in Article 75 (1) have been enacted, no Member State shall, without the Council's unanimous approval, allow the various legal provisions which deal with transport concerns and which are in operation when this Treaty comes into force to place such concerns, belonging to the nationals of other Member States, in a less favourable position, whether directly or indirectly, than such concerns belonging to its own nationals.

ARTICLE 77

Grants of aid shall be deemed to be consistent with this Treaty if required to co-ordinate transport or to discharge certain obligations which are inherent in the concept of public service (*service public*).

ARTICLE 78

Any measure taken within the framework of the Treaty in respect of transport charges and conditions shall take account of the economic state of the transport industry.

ARTICLE 79

1. In the case of traffic within the Community all discrimination by transport concerns which takes the form of making different charges and laying down different conditions for transporting the same goods along the same routes, because of the country of origin or the destination of the goods in question, shall be done away with, at the latest, before the end of the second stage.

2. Paragraph 1 shall not prevent the Council adopting other measures in pursuance of Article 75 (1).

3. The Council, acting by qualified majority vote, on a proposal of the Commission, and after the Economic and Social Committee has been consulted, shall, within two years of this Treaty coming into force, lay down rules for implementing the provisions of paragraph 1.

The Council may in particular take the steps necessary to enable the institutions of the Community to ensure that the rules laid down in paragraph 1 are observed and that users enjoy all advantages accruing therefrom.

4. The Commission shall, on its own initiative or at the request of a Member State, investigate any cases of discrimination covered by paragraph 1. It shall consult any Member State concerned and shall then take the necessary decisions within the framework of the rules laid down in accordance with the provisions of paragraph 3.

ARTICLE 80

1. The imposition by a Member State, in respect of transport within the Community, of charges and conditions involving any element of support or protection in the interest of one or more particular commercial undertakings or industries shall be prohibited as from the beginning of the second stage, unless authorised by the Commission.

2. The Commission shall on its own initiative or at the request of a Member State, examine the charges and conditions referred to in paragraph 1. In so doing it shall take particular account, on the one hand, of the requirements of a suitable regional economic policy, of the needs of under-developed areas and the problems of areas seriously affected by political circumstances and, on the other hand, of the effects of such charges and conditions on competition between the different forms of transport.

The Commission shall first consult all Member States concerned and then take the necessary decisions.

3. The prohibition provided for in paragraph 1 shall not apply to competitive tariffs.

ARTICLE 81

Any additional charges made or dues collected by a transport concern for the passage of frontiers, shall not exceed a reasonable sum, due account being taken of costs actually incurred in such passage.

Member States shall endeavour to reduce these costs progressively.

The Commission may make recommendations to Member States as to how effect is to be given to this Article.

ARTICLE 82

The provisions of this Chapter shall not preclude the adoption of measures in the Federal Republic of Germany to the extent that such measures are required in order to compensate for the economic disadvantages which the division of Germany causes to the economy of certain areas of the Federal Republic.

ARTICLE 83

A consultative Committee of experts, appointed by the Governments of Member States, shall be formed to advise the Commission. The latter shall, whenever it considers it desirable, consult the Committee on transport questions, without prejudice to the competence of the transport section of the Economic and Social Committee.

ARTICLE 84

1. The provisions of this Title shall apply to transport by rail, road and inland waterway.

2. The Council may unanimously decide whether, to what extent and by what procedure appropriate provisions shall be made in respect of sea and air transport.

Part Three

POLICY OF THE COMMUNITY

TITLE I—COMMON RULES

CHAPTER 1—RULES OF COMPETITION

SECTION 1

RULES APPLYING TO UNDERTAKINGS

ARTICLE 85

1. The following practices shall be prohibited as incompatible with the Common Market: all agreements between undertakings, all decisions by associations of undertakings and all concerted practices which are liable to affect trade between Member States and which are designed to prevent, restrict or distort competition within the Common Market or which have this effect. This shall, in particular, include:

- (a) the direct or indirect fixing of purchase or selling prices or of any other trading conditions;
- (b) the limitation or control of production, markets, technical development or investment;
- (c) market-sharing or the sharing of sources of supply;
- (d) the application of unequal conditions to parties undertaking equivalent engagements in commercial transactions, thereby placing them at a competitive disadvantage;
- (e) making the conclusion of a contract subject to the acceptance by the other party to the contract of additional obligations, which, by their nature or according to commercial practice have no connexion with the subject of such contract.

2. Any agreements or decisions prohibited pursuant to this Article shall automatically be null and void.

3. The provisions of paragraph 1 may, however, be declared inapplicable in the case of:

- any agreement or type of agreement between undertakings,
- any decision or type of decision by associations of undertakings, and
- any concerted practice or type of concerted practice

which helps to improve the production or distribution of goods or to promote technical or economic progress, whilst allowing consumers a fair share of the resulting profit and which does not:

- (a) subject the concerns in question to any restrictions which are not indispensable to the achievement of the above objectives;
- (b) enable such concerns to eliminate competition in respect of a substantial part of the goods concerned.

ARTICLE 86

Any improper exploitation by one or more undertakings of a dominant position within the Common Market or within a substantial part of it shall be deemed to be incompatible with the Common Market and shall be prohibited, in so far as trade between Member States could be affected by it. The following practices, in particular, shall be deemed to amount to improper exploitation:

- (a) the direct or indirect imposition of any unfair purchase or selling prices or of any other unfair trading conditions;
- (b) the limitation of production, markets or technical development to the prejudice of consumers;
- (c) the application of unequal conditions to parties undertaking equivalent engagements in commercial transactions, thereby placing them at a commercial disadvantage;
- (d) making the conclusion of a contract subject to the acceptance by the other party to the contract of additional obligations which by their nature or according to commercial practice have no connexion with the subject of such contract

ARTICLE 87

1. Within three years of this Treaty coming into force, the Council shall issue the necessary regulations or directives to put into effect the principles set out in Articles 85 and 86. The Council shall decide on these unanimously, on a proposal of the Commission and after consulting the Assembly.

If such regulations or directives have not been adopted within the specified period they shall be settled by the Council by qualified majority vote on a proposal of the Commission and after consulting the Assembly.

2. The regulations or directives referred to in paragraph 1 shall be designed, in particular:

- (a) to ensure, by the institution of fines or penalties, the observance of the prohibitions referred to in Article 85 (1) and in Article 86;
- (b) to decide exactly how Article 85 (3) is to be applied, taking into account the need both on the one hand to ensure effective supervision and, on the other hand, as far as possible to simplify administrative control;
- (c) to define, where necessary, the extent to which the provisions of Articles 85 and 86 are to be applied in the various economic sectors;
- (d) to define the respective functions of the Commission and of the Court of Justice in giving effect to the provisions referred to in this paragraph;
- (e) to determine how domestic legislation is to be reconciled with the provisions of this Article and with any rules made thereunder.

ARTICLE 88

Until the regulations or directives issued in pursuance of Article 87 shall have come into force, the competent authorities in Member States shall determine to what extent to permit agreements (decisions, concerted practices)* or the improper exploitation of a dominant position in the Common Market. The said competent authorities shall so determine in accordance with their domestic law and the provisions of Articles 85 (especially para. 3) and 86.

ARTICLE 89

1. Without prejudice to the provisions of Article 88, the Commission shall, upon assuming its duties, see that the principles laid down in Articles 85 and 86 are put into effect. It shall, of its own volition, or at the request of a Member State, investigate any alleged infringement of the principles mentioned above. It shall do so in co-operation with the competent authorities of the Member States, who shall give it their assistance. If it finds that such infringement has taken place, it shall propose appropriate measures for bringing it to an end.

2. Should such infringement continue the Commission shall, by means of a reasoned decision, confirm that such an infringement of the principles is being made. The Commission may publish its decision and may authorise Member States to take the necessary measures, the conditions and details of which it shall determine, to remedy the situation.

ARTICLE 90

1. In the case of public undertakings and undertakings to which they grant special or exclusive rights, Member States shall neither introduce nor maintain in force any measure contrary to the rules contained in this Treaty, in particular to those rules provided for in Article 7 and Articles 85 to 94 inclusive.

2. Any concern entrusted with the management of services of general economic interest or having the character of a fiscal monopoly shall be subject to the rules contained in this Treaty, in particular to the rules of competition, in so far as the application of such rules does not obstruct the *de jure* or *de facto* fulfilment of the specific tasks entrusted to such concerns. The development of trade shall not be affected to such an extent as would be contrary to the interests of the Community.

3. The Commission shall see that effect is given to the provisions of this Article and shall, where necessary, issue appropriate directives or decisions to the Member States.

SECTION 2

DUMPING PRACTICES

ARTICLE 91

1. If, during the transitional period, the Commission, at the request of a Member State or of any other interested party, determines that dumping practices exist within the Common Market, it shall send recommendations, designed to end these, to the originators of such practices.

* *Note.*—Words in brackets appear in German text but not in French one. German text quotes all above words from "agreements" to "Market" verbatim from Articles 85 (3) and 86. French and Italian texts do not.

Should such dumping practices continue, the Commission shall authorise any adversely affected Member State to take protective measures of which and for which the Commission shall lay down the nature and the methods to be followed.

2. Immediately this Treaty comes into force, any products which originate in or are entitled to free circulation in one Member State and have been exported to another Member State shall be admitted free of all customs duties, quantitative restrictions or measures having equivalent effect when re-imported into the territory of the first-mentioned State. The Commission shall make appropriate rules for giving effect to this paragraph.

SECTION 3

AIDS GRANTED BY STATES

ARTICLE 92

1. Except where otherwise provided for in this Treaty any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it adversely affects trade between Member States, be deemed to be incompatible with the Common Market.

2. The following shall be compatible with the Common Market:

- (a) aid having a social character, granted to individual consumers, provided that such aid is granted without discrimination on the grounds of the origin of the products concerned;
- (b) aid intended to make good the damage caused by natural disasters or other extraordinary events;
- (c) aid granted to the economy of certain regions of the Federal Republic of Germany affected by the division of Germany, in so far as such aid is required so as to compensate for the economic disadvantages caused by that division.

3. The following may be deemed to be compatible with the Common Market:

- (a) aid intended to promote the economic development of regions where the standard of living is abnormally low or where there is serious under-employment;
- (b) aid intended to promote the execution of an important project of common European interest or to remedy serious disturbance in the economy of a Member State;
- (c) aid intended to facilitate the development of certain activities or of certain economic regions, provided that such aid does not adversely affect trading conditions to such an extent as would be contrary to the common interest. Any grants of aid to shipbuilding existing as on 1 January, 1957, shall, in so far as they serve only to offset the absence of

customs protection, be progressively reduced under the same conditions as apply to the abolition of customs duties, subject to the provisions of this Treaty concerning common commercial policy in regard to third countries;

- (d) such other types of aid as may be specified by the Council by qualified majority vote on a proposal of the Commission.

ARTICLE 93

1. The Commission shall, in conjunction with Member States submit to constant examination all systems of aids existing in those States. It shall propose to the latter any appropriate measures required by the progressive development or by the functioning of the Common Market.

2. If, after having given notice to the parties concerned to submit their comments, the Commission find that aid granted by a State or through State resources is not compatible with the Common Market within the meaning of Article 92, or that such aid is being improperly used, it shall decide that the State concerned shall abolish or modify such aid within a time-limit to be prescribed by the Commission.

If the State concerned does not comply with this decision within the prescribed time-limit, the Commission or any other interested State may, notwithstanding the provisions of Articles 169 and 170, refer the matter to the Court of Justice direct.

The Council may, at the request of a Member State, unanimously decide, if such a decision is justified by exceptional circumstances, that any aid granted or planned by that State shall be deemed to be compatible with the Common Market, notwithstanding the provisions of Article 92 or the regulations provided for in Article 94. If the Commission had, as regards the grant of aid in question, already initiated the procedure provided for in the first sub-paragraph of this paragraph, the request made to the Council by the State concerned shall cause such procedure to be suspended until the Council has made its attitude known.

If, however, the Council has not made its attitude known within three months of the said request being made, the Commission shall give its decision on the case.

3. The Commission shall be informed, in sufficient time to enable it to submit its comments, of any plans to grant or modify grants of aid. If it considers that any such plan is incompatible with the Common Market within the meaning of Article 92 it shall without delay initiate the procedure provided for in the preceding paragraph. The Member State concerned shall not put its proposed measures into effect until this procedure has resulted in a final decision.

ARTICLE 94

The Council may, by a qualified majority vote on a proposal of the Commission, make any appropriate regulations for carrying out Articles 92 and 93 (3) and may in particular determine the conditions for carrying out Article 93 (3) and the types of aid to be exempted from this procedure.

CHAPTER 2—FISCAL PROVISIONS

ARTICLE 95

A Member State shall not impose, directly or indirectly, on the products of other Member States any internal charges of any kind in excess of those applied directly or indirectly to similar domestic products.

Furthermore, a Member State shall not impose on the products of other Member States any internal charges of such a nature as to afford indirect protection to other products.

Member States shall, not later than at the beginning of the second stage, eliminate or amend any provisions existing when this Treaty comes into force which conflict with the above rules.

ARTICLE 96

Where products are exported to the territory of any Member State any drawback of internal charges shall not exceed the internal charges imposed on them, whether directly or indirectly.

ARTICLE 97

Any Member States which levy a turnover tax calculated by a cumulative multi-stage system may, in the case of internal charges imposed by them on imported products or of drawback allowed by them on exported products, establish average rates for specific products or groups of products, provided that there is no infringement of the principles laid down in Articles 95 and 96.

Where the average rates established by a Member State do not conform with the above-mentioned principles, the Commission shall issue appropriate directives or decisions to the State concerned.

ARTICLE 98

In the case of charges other than turnover taxes, excise duties and other forms of indirect taxation, exemptions and repayments in respect of exports to other Member States may not be granted and compensatory charges in respect of imports from Member States may not be imposed unless, and to the extent that, the measures contemplated have been previously approved for a limited period by the Council acting by qualified majority vote on a proposal of the Commission.

ARTICLE 99

The Commission shall consider how to further the interests of the Common Market by harmonising the legislation of the various Member States concerning turnover taxes, excise duties and other forms of indirect taxation, including compensatory measures in respect of trade between Member States.

The Commission shall submit proposals to the Council; the latter shall decide upon the matter unanimously without prejudice to the provisions of Articles 100 and 101.

CHAPTER 3—APPROXIMATION OF LAWS

ARTICLE 100

The Council shall, by a unanimous decision, on a proposal of the Commission, issue directives for the approximation of such legislative and administrative provisions of Member States as directly affect the establishment or operation of the Common Market.

The Assembly and the Economic and Social Committee shall be consulted in the case of directives the implementation of which would involve amending legislation in one or more Member States.

ARTICLE 101

Where the Commission finds that a discrepancy between the legislative or administrative provisions of Member States is interfering with competition within the Common Market and consequently producing distortions which need to be eliminated, it shall consult the Member States concerned.

If such consultation does not result in an agreement eliminating the distortion in question, the Council shall issue the necessary directives for this purpose. It shall decide on these on a proposal of the Commission, unanimously during the first stage and thereafter by the qualified majority. The Commission and the Council may take any other appropriate measures provided for in this Treaty.

ARTICLE 102

1. Where there is reason to fear that the introduction or amendment of a legislative or administrative provision may cause distortion within the meaning of the preceding Article, the Member State desiring to proceed therewith shall consult the Commission. After consulting the Member States the Commission shall recommend to the States concerned such measures as may be appropriate to avoid the distortion in question.

2. If the State desiring to introduce or amend its own provisions does not comply with the recommendation made to it by the Commission, no request, in pursuance of Article 101, shall be made to other Member States to amend their own legislative or administrative provisions in order to eliminate such distortion. If the Member State which has ignored the Commission's recommendations is the only one to be adversely affected by the distortion which it has caused, the provisions of Article 101 shall not apply.

TITLE II—ECONOMIC POLICY

CHAPTER I—POLICY RELATING TO ECONOMIC TRENDS

ARTICLE 103

1. Member States shall regard as a matter of common concern their policy relating to economic trends. They shall consult with each other and with the Commission as to any measures to be taken in the light of the prevailing circumstances.

2. Without prejudice to any other procedures provided for in this Treaty, the Council may, on a proposal of the Commission, unanimously decide upon the appropriate measures to take.

3. The Council shall, when appropriate, issue any directives necessary to give effect to the measures decided upon under paragraph 2. It shall do so by qualified majority vote, on a proposal of the Commission.

4. The procedure provided for in this Article shall also apply if there is any difficulty about supplying certain products.

CHAPTER 2—BALANCE OF PAYMENTS

ARTICLE 104

Each Member State shall pursue the economic policy necessary to ensure the equilibrium of its overall balance of payments and to maintain confidence in its currency, while ensuring a high level of employment and the stability of price levels.

ARTICLE 105

1. In order to facilitate the achievement of the objectives stated in Article 104, Member States shall co-ordinate their economic policies. They shall for this purpose introduce a policy of collaboration between their appropriate administrative departments and their central banks.

The Commission shall submit to the Council recommendations on how to achieve such collaboration.

2. In order to promote the co-ordination of the policies of Member States in monetary matters to the extent necessary to ensure the operation of the Common Market, a Monetary Committee with consultative status shall be established with the following tasks:

- to keep under review the monetary and financial situation of Member States and of the Community and also the general payments system of Member States and to report regularly thereon to the Council and to the Commission;
- the drafting of comments at the request of the Council or of the Commission or on its own initiative, for submission to these institutions.

The Member States and the Commission shall each appoint two members of the Monetary Committee.

ARTICLE 106

1. Each Member State undertakes to authorise, in the currency of the Member State in which the creditor or the beneficiary resides, any payments connected with the exchange of goods, services or capital, and also any transfers of capital and wages, to the extent that the movement of goods, services, capital and persons have been liberalised as between Member States as a result of this Treaty.

Member States declare that they are prepared to liberalise payments to a greater extent than provided for in the preceding sub-paragraph, in so far as their economic situation in general and the situation of their balance of payments in particular permit.

2. In so far as exchanges of goods and services and movements of capital are limited only by restrictions on payments connected therewith, these restrictions shall be gradually abolished by applying to them, *mutatis mutandis*, the provisions of the Chapters dealing with the abolition of quantitative restrictions, to the freeing of services and to the free movement of capital.

3. Member States undertake not to introduce as between themselves any new restrictions on transfers connected with the invisible transactions listed in Annex III to this Treaty.

The progressive abolition of existing restrictions shall be effected in accordance with the provisions of Articles 63 to 65 inclusive, in so far as such abolition is not governed by the provisions contained in paragraphs 1 and 2 above or by the Chapter relating to the free movement of capital.

4. Member States, shall, where necessary, seek agreement among themselves as to the measures necessary to ensure that the payments and transfers mentioned in this Article are effected. These measures shall not adversely affect the attainment of the objectives laid down in this Chapter.

ARTICLE 107

1. Each Member State shall treat its policy with regard to rates of exchange as a matter of common interest.

2. If a Member State makes an alteration in its rate of exchange which is incompatible with the objectives laid down in Article 104 and which seriously distorts conditions of competition, the Commission may, after consulting the Monetary Committee, authorise other Member States to take for a strictly limited period the necessary measures, the conditions and details of which it shall determine, in order to meet the consequences of such alteration.

ARTICLE 108

1. Where a Member State is in difficulties or is seriously threatened with difficulties as regards its balance of payments as a result either of the overall disequilibrium of its balance of payments or of the type of currency at its disposal and where such difficulties are likely in particular to prejudice the operation of the Common Market or the gradual achievement of the common commercial policy, the Commission shall immediately investigate the financial situation of the State in question and the action which, making use of all the means at its disposal, that State has taken or may take in accordance with the provisions of Article 104. The Commission shall suggest what measures it recommends the State concerned to take.

If the action taken by a Member State and the measures suggested by the Commission do not appear sufficient to overcome the difficulties which the State in question is in or may find itself in, the Commission shall, after consulting the Monetary Committee, recommend to the Council the granting of mutual assistance and the appropriate methods whereby this can be effected.

The Commission shall keep the Council regularly informed of the situation and of how it is developing.

2. The Council shall grant such mutual assistance by qualified majority vote; it shall issue directives or decisions laying down the conditions and details of such assistance, which may in particular take the form of:

- (a) a concerted approach in regard to any other international organisations to which Member States may have recourse;
- (b) any necessary measures to avoid deflection of trade where the State which is in difficulties maintains or re-establishes quantitative restrictions in respect of third countries;
- (c) the granting of limited credits by other Member States, subject to the agreement of the latter.

Mutual assistance may furthermore, during the transitional period, also take the form of special reductions in customs duties or enlargements of quotas in order to facilitate an increase in imports from the State which is in difficulties, subject to the agreement of the States by which such measures would have to be taken.

3. If the mutual assistance recommended by the Commission is not granted by the Council or if the mutual assistance granted and the measures taken are insufficient, the Commission shall authorise the State which is in difficulties to take protective measures, the conditions and details of which the Commission shall determine.

Such authorisation may be revoked and such conditions and details may be amended by the Council by qualified majority vote.

ARTICLE 109

1. Where a sudden crisis in the balance of payments occurs and if a decision, within the meaning of Article 108 (2), is not immediately taken, the Member State concerned may provisionally take the necessary protective measures. Such measures shall cause the least possible disturbance in the functioning of the Common Market and shall not exceed the minimum strictly necessary to remedy the sudden difficulties which have arisen.

2. The Commission and the other Member States shall be informed of such protective measures not later than when they come into force. The Commission may recommend mutual assistance to the Council in accordance with Article 108.

3. On the basis of an opinion by the Commission and after consulting the Monetary Committee, the Council may, by qualified majority vote, decide that the State concerned shall amend, suspend or abolish the protective measures referred to above.

CHAPTER 3—COMMERCIAL POLICY

ARTICLE 110

By establishing a customs union between themselves Member States aim to contribute, in the common interest, to the harmonious development of world

trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers.

The common commercial policy shall take into account the favourable effect which the abolition of customs duties as between Member States may have on the increase of the competitive strength of undertakings in those States.

ARTICLE 111

The following provisions shall, without prejudice to Articles 115 and 116, apply during the transitional period:

1. Member States shall co-ordinate their commercial relations with third countries so as to bring about, by the end of the transitional period, the conditions necessary for the implementation of a common policy in the field of external trade.

The Commission shall submit proposals to the Council as regards the procedure to be followed during the transitional period in order to achieve common action and as regards the achievement of a uniform commercial policy.

2. The Commission shall submit to the Council recommendations concerning tariff negotiations with third countries in respect of the common customs tariff.

The Council shall authorise the Commission to open such negotiations.

The Commission shall conduct these negotiations in consultation with a special Committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may address to it.

3. The Council shall, in the exercise of the powers conferred upon it by this Article, act unanimously during the first two stages and subsequently by qualified majority vote.

4. Member States shall, in consultation with the Commission, take all necessary measures to adjust in particular tariff agreements in force with third countries in order that the coming into force of the common customs tariff should not be delayed.

5. Member States shall aim at securing as high a level of uniformity as possible among themselves as regards their lists of liberalised products in respect of third countries or groups of third countries. To this end the Commission shall make any appropriate recommendations to Member States.

If Member States abolish or reduce quantitative restrictions in respect of third countries, they shall inform the Commission beforehand and shall accord identical treatment to other Member States.

ARTICLE 112

1. Without prejudice to obligations undertaken by Member States within the framework of other international organisations they shall, before the end of the transitional period, progressively harmonise the systems under which aid is granted to exports to third countries, to the extent necessary to ensure that competition between concerns in the Community shall not be distorted.

The Council on the proposal of the Commission shall issue the directives necessary for this purpose. It shall act unanimously until the end of the second stage and thereafter by qualified majority vote.

2. The preceding provisions shall not apply to such drawback of customs duties or charges with equivalent effect nor to such refunds of indirect charges including turnover taxes, excise duties and other indirect taxes as are granted in connexion with export of goods from a Member State to a third country, in so far as such drawback or refunds do not exceed the charges which have been imposed, directly or indirectly, on the products exported.

ARTICLE 113

1. After the expiry of the transitional period the common commercial policy shall be based on uniformly established principles, particularly in regard to tariff amendments, to the conclusion of tariff and trade agreements, to the establishing of uniform practice as regards measures of liberalisation, to export policy and to commercial protective measures including measures to be taken in cases of dumping or subsidies.

2. The Commission shall submit proposals to the Council for putting into effect this common commercial policy.

3. Where agreements with third countries require to be negotiated the Commission shall make recommendations to the Council, which shall authorise the Commission to open the necessary negotiations.

The Commission shall conduct these negotiations in consultation with a special Committee appointed by the Council to assist the Commission in this task and within the framework of such directives as the Council may address to it.

4. The Council shall, when exercising the powers conferred upon it by this Article, act by qualified majority vote.

ARTICLE 114

The agreements referred to in Article 111 (2) and in Article 113 shall be concluded by the Council on behalf of the Community, during the first two stages unanimously and subsequently by qualified majority vote.

ARTICLE 115

In order to ensure that the execution of measures of commercial policy taken in conformity with this Treaty by any Member State are not obstructed by deflection of trade, or where disparities between such measures lead to economic difficulties in one or more of the Member States, the Commission shall recommend the methods by which other Member States shall afford the co-operation necessary. Failing this, the Commission shall authorise Member States to take the necessary protective measures the conditions and details of which it shall determine.

In case of urgency and* during the transitional period Member States may themselves take the necessary measures and shall notify them to the other Member States and to the Commission, which may decide that the States concerned shall amend or revoke such measures.

* Note.—The German text omits the word "and".

In selecting such measure priority shall be given to those which cause the least disturbance to the operation of the Common Market and which take into account the necessity for expediting, as far as possible, the introduction of the common customs tariff.

ARTICLE 116

From the end of the transitional period Member States shall, in respect of all matters of particular interest to the Common Market, proceed only by common action within the framework of any international organisations of an economic character. The Commission shall for this purpose submit to the Council, for adoption by qualified majority vote, proposals concerning the scope and the implementation of such common action.

During the transitional period, Member States shall consult together with a view to concerting the action they take and to adopting as far as possible a uniform attitude.

TITLE III—SOCIAL POLICY

CHAPTER 1—SOCIAL PROVISIONS

ARTICLE 117

Member States agree upon the necessity of promoting improvement in the living and working conditions of workers in order to ensure that they share in the general progress.

They believe that such a development will result not only from the operation of the Common Market, which will favour the harmonisation of social systems, but also from the procedures provided for in this Treaty and from the approximation of legislative and administrative provisions.

ARTICLE 118

Without prejudice to the other provisions of this Treaty and in conformity with its general objectives, the Commission shall have as its task the promotion of close collaboration between Member States in the social field, particularly in matters relating to:

- employment,
- labour legislation and working conditions,
- elementary and advanced vocational training,
- social security,
- protection against occupational accidents and diseases,
- industrial hygiene,
- trade union legislation and collective negotiations between employers and workers.

To this end the Commission shall act in close contact with Member States through the promotion of studies, the giving of opinions, the organising of

consultations both on problems arising at the national level and on those of concern to international organisations.

Before giving the opinions provided for under this Article, the Commission shall consult the Economic and Social Committee.

ARTICLE 119

Each Member State shall during the first stage ensure and subsequently maintain the application of the principle of equal remuneration for the same work as between male and female workers.

For the purpose of this Article, remuneration shall be taken to mean the ordinary basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker's employment.

Equal remuneration without discrimination based on sex means:

- (a) that remuneration for the same work at piece rates shall be calculated on the basis of the same unit of measurement;
- (b) that remuneration for work at time-rates shall be the same for the same job.

ARTICLE 120

Member States shall endeavour to maintain the existing equivalence of paid holiday schemes.

ARTICLE 121

The Council may, by a unanimous decision and after consulting the Economic and Social Committee, assign duties to the Commission in connection with the implementation of common measures, particularly as regards the social security of migrant workers referred to in Articles 48-51 inclusive.

ARTICLE 122

The Commission shall, in its annual report to the Assembly, include a special chapter on social developments within the Community.

The Assembly may invite the Commission to draw up reports on any particular problems having to do with social conditions.

CHAPTER 2—THE EUROPEAN SOCIAL FUND

ARTICLE 123

In order to increase the possibilities of employment for workers in the Common Market and to contribute thereby to raising the standard of living, a European Social Fund shall be established in accordance with the provisions set out below; it shall have the task of increasing the availability of employment and the geographical and occupational mobility of workers within the Community.

ARTICLE 124

The administration of the Fund shall be a task of the Commission.

The Commission shall be assisted in this task by a Committee presided over by a member of the Commission and composed of representatives of Governments and of trade unions and of employers' organisations.

ARTICLE 125

1. At the request of a Member State the Fund shall, within the framework of the rules provided for in Article 127, make good 50 per cent. of the expenditure incurred after the coming into force of this Treaty by that State or by an organisation governed by public law (*droit public*) for the purpose of:

(a) ensuring productive re-employment of workers by means of:

—occupational re-training,

—resettlement allowances;

(b) granting aid to workers whose employment is reduced or temporarily suspended, whether wholly or partly as a result of the conversion of a concern to other production, in order that they may maintain the same wage-level pending their full re-employment.

2. The assistance granted by the Fund towards the cost of occupational re-training shall be conditional upon the impossibility of employing the unemployed workers otherwise than in a new occupation and upon their having been in productive employment for a period of at least six months in the occupation for which they have been re-trained.

The assistance granted in respect of resettlement allowances shall be conditional upon the unemployed workers having been forced to change their residence within the Community and upon their having been in productive employment for a period of at least six months in their new place of residence.

The assistance granted for the benefit of workers in the case of the conversion of a concern to different activities shall be subject to the following conditions:

(a) that the workers concerned have again been fully employed in that concern for a period of at least six months;

(b) that the Government concerned has previously submitted a plan, drawn up by the concern in question, for its conversion and for the financing thereof;

(c) that the Commission has given its prior approval to the conversion plan.

ARTICLE 126

When the transitional period has ended, the Council, on the basis of an opinion of the Commission and after consulting the Economic and Social Committee and the Assembly, may:

(a) rule, by qualified majority vote, that all or part of the assistance referred to in Article 125 shall no longer be granted; or

(b) unanimously determine the new tasks which may be entrusted to the Fund within the framework of the mandate assigned to it as defined in Article 123.

ARTICLE 127

The Council shall decide on the regulations required to give effect to Articles 124 to 126 inclusive. It shall do so on the proposal of the Commission and after consulting the Economic and Social Committee and the Assembly and by qualified majority vote; in particular it shall determine the details of the conditions under which the assistance of the Fund shall be granted in accordance with Article 125 and also of the classes of undertakings whose workers shall benefit from the assistance provided for in Article 125 (1) (b).

ARTICLE 128

The Council shall, on the proposal of the Commission and after consulting the Economic and Social Committee, lay down the general principles for the implementation of a common policy of vocational training capable of contributing to the harmonious development of the economies both of individual States and of the Common Market.

TITLE IV—THE EUROPEAN INVESTMENT BANK

ARTICLE 129

A European Investment Bank having legal personality is hereby established. The members of the European Investment Bank shall be the Member States. The Statutes of the European Investment Bank shall form the subject of a Protocol annexed to this Treaty.

ARTICLE 130

The task of the European Investment Bank shall be to contribute, by having recourse to the capital market and utilising its own resources, to the balanced and stable development of the Common Market in the interest of the Community. For this purpose the Bank shall, by granting loans and guarantees on a non-profit-making basis, facilitate the financing of the following projects in all sectors of the economy:

- (a) projects for developing less developed regions;
- (b) projects for modernising or converting undertakings or for developing fresh activities called for by the progressive establishment of the Common Market where such projects by their size or nature cannot be entirely financed by the various means available in each of the Member States;
- (c) projects of common interest to several Member States which by their size or nature cannot be entirely financed by the various means available in the individual Member States.

Part Four

ASSOCIATION OF OVERSEAS COUNTRIES AND TERRITORIES

ARTICLE 131

The Member States agree to associate with the Community the non-European countries and territories which have special relations with Belgium, France, Italy and the Netherlands. These countries and territories, hereinafter referred to as "the countries and territories", are listed in Annex IV of this Treaty.

The purpose of association shall be to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole.

In accordance with the principles stated in the Preamble to this Treaty, association shall in the first instance serve to further the interests and prosperity of the inhabitants of these countries and territories in such a manner as to lead them to the economic, social and cultural development to which they aspire.

ARTICLE 132

Association shall have the following objectives:

1. Member States shall, in their trade with the countries and territories, apply the same system as they apply among themselves pursuant to this Treaty.

2. Each country or territory shall apply to its trade with the Member States and with the other countries and territories the same treatment as that which it applies to the European State with which it has special relations.

3. The Member States shall contribute to the investment required for the progressive development of these countries and territories.

4. As regards investments financed by the Community, participation in tenders and supplies shall be open on equal terms to all natural and legal persons who are nationals of Member States or of the countries and territories.

5. In relations between Member States and the countries and territories the right of establishment of nationals and companies shall be regulated in accordance with the provisions, and in accordance with the procedure laid down in the Chapter dealing with the right of establishment; this shall be effected on a non-discriminatory basis, subject to any special provisions made pursuant to Article 136.

ARTICLE 133

1. Imports of goods originating in the countries and territories shall, on entry into the Member States, benefit from the total abolition of customs duties which shall take place progressively between Member States in accordance with the provisions of this Treaty.

2. Customs duties imposed on imports from Member States and from the countries or territories shall, upon the entry of such imports into any of the other countries or territories, be gradually eliminated in accordance with the provisions of Articles 12, 13, 14, 15 and 17.

3. Provided always that the countries and territories may levy such customs duties as are necessitated by their need for development and industrialisation or which are of a fiscal nature and are intended to contribute to their budgets.

The duties referred to in the preceding sub-paragraph shall be progressively reduced to the level of those imposed on imports of products from the Member State with which each country or territory maintains special relations. The percentages and the timing of the reductions provided for under this Treaty shall apply to the difference between the duty imposed, on entry into the importing country or territory, on a product coming from the Member State which has special relations with the country or territory concerned and the duty imposed on the same product coming from the other States of the Community.

4. Paragraph 2 shall not apply to countries and territories which, by reason of the particular international obligations by which they are bound, already apply a non-discriminatory customs tariff when this Treaty comes into force.

5. The introduction or modification of customs duties imposed on goods imported into the countries and territories shall not, either *de jure* or *de facto*, give rise to any direct or indirect discrimination between imports from the various Member States.

ARTICLE 134

If the level of the duties applicable to goods from a third country on entry into a country or territory is likely, having regard to the implementation of the provisions of Article 133 (1), to cause deflections of trade to the detriment of any Member State, the latter may request the Commission to recommend the necessary measures to remedy the situation to the other Member States.

ARTICLE 135

Subject to the provisions relating to public health, public security, and public policy (*ordre public*), the freedom of movement of workers in Member States from the countries and territories, and in the countries and territories of workers from Member States, shall be governed by agreements to be concluded subsequently; these shall require the unanimous agreement of Member States.

ARTICLE 136

For an initial period of five years after this Treaty comes into force the details of and procedures concerning the association of the countries and territories with the Community shall be determined by an Implementing Convention annexed to this Treaty.

Before the Convention provided for in the preceding sub-paragraph expires, the Council shall decide what provision to make for a further period. This decision shall be a unanimous one and shall be based on the experience acquired and the principles set out in this Treaty.

Part Five

THE COMMUNITY'S INSTITUTIONS

TITLE I—INSTITUTIONAL PROVISIONS

CHAPTER 1—INSTITUTIONS

SECTION I

THE ASSEMBLY

ARTICLE 137

The Assembly, which shall consist of representatives of the peoples of the States united within the Community, shall exercise the advisory and supervisory powers which are conferred upon it by this Treaty.

ARTICLE 138

1. The Assembly shall consist of delegates who shall be nominated by the respective Parliaments from among their members in accordance with the procedure laid down by each Member State.

2. The number of these delegates shall be as follows:

Belgium	14
France	36
Germany	36
Italy	36
Luxembourg	6
Netherlands	14

3. The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

The Council shall unanimously decide on the provisions which it shall recommend to Member States for adoption in accordance with their respective constitutional requirements.

ARTICLE 139

The Assembly shall hold an annual session. It shall meet automatically on the third Tuesday in October.

The Assembly may meet in extraordinary session at the request of a majority of its members or at the request of the Council or of the Commission.

ARTICLE 140

The Assembly shall appoint its President and its officers from among its members.

Members of the Commission may attend all meetings and shall, at their request, be heard on behalf of the Commission.

The Commission shall reply orally or in writing to questions put to it by the Assembly or its members.

The Council shall be heard by the Assembly* in accordance with the conditions laid down in the rules of procedure.

ARTICLE 141

Except where otherwise provided for in this Treaty, the Assembly shall act by an absolute majority of the votes cast.

The quorum shall be laid down in the rules of procedure.

ARTICLE 142

The Assembly shall adopt its rules of procedure by a vote of a majority of its members.

The formal measures (*actes*) taken by the Assembly shall be published in accordance with the conditions provided for in its rules of procedure.

ARTICLE 143

The Assembly shall discuss in open session the annual general report submitted to it by the Commission.

ARTICLE 144

If a vote of censure on the activities of the Commission is tabled in the Assembly, no vote shall be taken thereon until not less than three days after it was tabled and this vote shall be by open ballot.

If the vote of censure is carried by a two-thirds majority of the votes cast, and representing a majority of the members of the Assembly, the members of the Commission shall collectively resign their office. They shall continue to carry out current business until their replacement in accordance with the provisions of Article 158.

SECTION 2

THE COUNCIL

ARTICLE 145

To ensure the achievement of the objectives laid down in this Treaty, and in accordance with the provisions thereof, the Council shall:

- ensure that the economic policies of the Member States are co-ordinated;
- have power to take decisions.

* *Note.*—This is the French and Italian text. In the German text the words "at any time" come after "the Assembly".

ARTICLE 146

The Council shall consist of representatives of the Member States. Each Government shall delegate to it one of its members.

The Office of the President shall be exercised for a term of six months by each member of the Council in rotation following the alphabetical order of the Member States.

ARTICLE 147

Meetings of the Council shall be called by the President on his own initiative or at the request of a member or of the Commission.

ARTICLE 148

1. Except where otherwise provided for in this Treaty, the Council's resolutions shall be reached by a majority of its members.

2. Where the Council's resolutions are required to be reached by qualified majority, the votes of its members shall be weighted as follows:

Belgium	..	..	..	..	..	..	2
France	..	..	..	..	..	..	4
Germany	..	..	..	..	..	..	4
Italy	..	..	..	..	..	..	4
Luxembourg	..	..	..	..	..	..	1
Netherlands	..	..	..	..	..	..	2

The following majorities shall be required for the adoption of resolutions:

- twelve votes in favour where the Treaty requires them to be taken on a proposal of the Commission,
- twelve votes in favour, cast by at least four members, in all other cases.

3. Abstentions by members either present or represented shall not prevent the adoption by the Council of decisions which require to be unanimous.

ARTICLE 149

When, in accordance with this Treaty, the Council acts on a proposal of the Commission, it may only adopt amendments to that proposal unanimously.

The Commission shall be free to amend its original proposal at any time before the Council reaches a decision, especially if the Assembly has been consulted on the proposal in question.

ARTICLE 150

In the case of any vote, any member of the Council may act as proxy for not more than one other member.

ARTICLE 151

The Council shall lay down its rules of procedure.

These rules of procedure may provide for the establishment of a committee of representatives of Member States. The Council shall determine the duties and powers of that Committee.

ARTICLE 152

The Council may request the Commission to undertake any studies which the Council considers desirable for the achievement of the common objectives, and to submit any appropriate proposals to the Council.

ARTICLE 153

The Council shall lay down the statute of the Committees provided for in this Treaty, after receiving an opinion from the Commission thereon.

ARTICLE 154

The Council shall by qualified majority vote determine the salaries, allowances and pensions of the President and members of the Commission, and of the President, Judges, Advocates-General and Registrar of the Court of Justice. The Council shall also, by the same majority, determine any allowances to be granted in lieu of remuneration.

SECTION 3

THE COMMISSION

ARTICLE 155

In order to ensure that the Common Market works efficiently and develops satisfactorily, the Commission shall:

- ensure that the provisions of this Treaty and the measures taken by the institutions by virtue of this Treaty are carried out;
- formulate recommendations or give opinions on matters within the scope of this Treaty, if it expressly so provides or if the Commission considers this necessary;
- have power itself to take decisions and in the circumstances provided for in this Treaty participate in the shaping of measures taken by the Council and by the Assembly;
- exercise the powers conferred on it by the Council to ensure effect being given to rules laid down by the latter.

ARTICLE 156

The Commission shall publish annually, not later than one month before the opening of the session of the Assembly, a general report on the activities of the Community.

ARTICLE 157

1. The Commission shall consist of nine members, who shall be chosen on the grounds of their general competence and whose independence can be fully guaranteed.

The Council may by a unanimous decision amend the number of the members of the Commission.

Only nationals of Member States may be members of the Commission.

The Commission shall not include more than two members having the nationality of the same State.

2. The members of the Commission shall act completely independently in the performance of their duties, in the general interest of the Community.

In the performance of their duties, they shall neither seek nor take instructions from any Government or other body. They shall refrain from any action incompatible with the nature of their duties. Each Member State undertakes to respect this principle and not to seek to influence the members of the Commission in the performance of their duties.

The members of the Commission may not, during their term of office, engage in any other paid or unpaid occupation. When entering upon their duties they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations arising therefrom and in particular their duty to exercise honesty and discretion as regards the acceptance, after their term of office, of particular appointments or benefits. In the event of any breach of these obligations, the Court of Justice, on the application of the Council or of the Commission, may, according to the circumstances, order that the member concerned either be compulsorily retired in accordance with the provisions of Article 160 or forfeit his right to a pension or other benefits in lieu thereof.

ARTICLE 158

The members of the Commission shall be appointed by mutual agreement between the Governments of Member States.

Their term of office shall be for a period of four years. It shall be renewable.

ARTICLE 159

Apart from death and retirements in rotation, termination of appointment of a member of the Commission shall occur by voluntary resignation or compulsory retirement.

A vacancy thus caused shall be filled for the remainder of his term of office. The Council may unanimously decide that such a vacancy need not be filled.

Unless he is compulsorily retired in accordance with the provisions of Article 160, a member of the Commission shall remain in office until his successor's appointment.

ARTICLE 160

If any member of the Commission no longer fulfils the conditions required for the performance of his duties or if he has been guilty of serious misconduct, the Court of Justice, on the application of the Council or of the Commission, may compulsorily retire him from office.

In such a case the Council may, by a unanimous decision, provisionally suspend the member from his duties and make provision for his replacement pending the ruling of the Court of Justice.

The Court of Justice may on the application of the Council or of the Commission provisionally suspend the member from his duties.

ARTICLE 161

The President and the two Vice-Presidents of the Commission shall be appointed from among its members for a term of two years in accordance with the same procedure as that laid down for the appointment of members of the Commission. Their term of office shall be renewable.

Save where the whole Commission is replaced, the Commission shall be consulted before such appointments are made.

In the event of resignation, compulsory retirement*, or death, the President and the Vice-Presidents shall be replaced for the remainder of their terms of office in accordance with the provisions of the first paragraph of this Article.

ARTICLE 162

The Council and the Commission shall consult together and shall decide on their methods of collaboration by mutual agreement.

The Commission shall adopt rules of procedure to ensure that both it and its administrative services operate in accordance with the terms of this Treaty. It shall ensure that its rules of procedure are published.

ARTICLE 163

The Commission shall reach its conclusions by a majority of the number of members provided for in Article 157.

A meeting of the Commission shall only be valid if the number of members laid down in its rules of procedure are present.

SECTION 4

THE COURT OF JUSTICE

ARTICLE 164

The Court of Justice shall ensure the observance of law in the interpretation and application of this Treaty.

* *Note*.—This is the German text. In this paragraph the French and Italian texts omit the words "compulsory retirement".

ARTICLE 165

The Court of Justice shall consist of seven judges.

The Court of Justice shall sit in plenary session (*séance plénière*). It may, however, set up sections (*chambres*), each consisting of three or five judges, either to take certain steps of investigation (*instruction*) or to judge particular categories of cases in accordance with the provisions of a regulation made for this purpose.

The Court of Justice shall, however, always sit in plenary session to hear cases submitted to it by a Member State or by one of the institutions of the Community or to deal with the preliminary questions submitted to it pursuant to Article 177.

Should the Court of Justice so request, the Council may, by a unanimous decision, increase the number of judges, and make the consequential amendments to the second and third paragraphs of this Article and Article 167, second paragraph.

ARTICLE 166

The Court of Justice shall be assisted by two advocates-general.

It shall be the duty of the advocate-general to make reasoned submissions (*conclusions*) in open Court to the Court of Justice on matters referred to it. He shall do so with complete impartiality and independence, with a view to helping the Court to achieve the task assigned to it in Article 164.

Should the Court of Justice so request, the Council may, by a unanimous decision increase the number of advocates-general, and make the necessary amendments to Article 167, third paragraph.

ARTICLE 167

The judges and the advocates-general shall be chosen from persons whose independence can be fully guaranteed and who fulfil the conditions required for the exercise of the highest judicial functions (*fonctions juridictionnelles*) in their respective countries or who are legal experts of universally recognised and outstanding ability; they shall be appointed by mutual agreement between the Governments of Member States for a term of six years.

A partial replacement of the judges of the Court of Justice shall take place every three years. Three and four judges shall be replaced alternately. The three judges whose terms of office are to expire at the end of the first period of three years shall be chosen by lot.

A partial replacement of the advocates-general shall take place every three years. The advocate-general whose term of office is to expire at the end of the first period of three years shall be chosen by lot.

The retiring judges and advocates-general shall be eligible for reappointment.

The judges shall appoint from among their members the President of the Court of Justice for a term of three years. Such appointment shall be renewable.

ARTICLE 168

The Court of Justice shall appoint its Registrar and determine his status and terms of service.

ARTICLE 169

If the Commission considers that a Member State has failed to fulfil any of its obligations under this Treaty, it shall issue a reasoned opinion on the matter after giving the State concerned the opportunity to submit its comments.

If the State concerned does not comply with the terms of such opinion within the period laid down by the Commission, the latter may refer the matter to the Court of Justice.

ARTICLE 170

Any Member State which considers that another Member State has failed to fulfil any of its obligations under this Treaty may refer the matter to the Court of Justice.

Before a Member State institutes, against another Member State, proceedings relating to an alleged infringement of the obligations under this Treaty, it shall refer the matter to the Commission.

The Commission shall deliver a reasoned opinion after the States concerned have been given the opportunity both to submit their own cases and to reply to each others' cases (*de présenter contradictoirement leurs observations*) both orally and in writing.

If the Commission, within a period of three months from the date on which the matter was referred to it, has not given an opinion, the absence of such opinion shall not preclude reference to the Court of Justice.

ARTICLE 171

If the Court of Justice finds that a Member State has failed to fulfil any of its obligations under this Treaty, such State is bound to take the measures required for the implementation of the judgment of the Court.

ARTICLE 172

The regulations enacted by the Council pursuant to the provisions of this Treaty may confer on the Court of Justice full jurisdiction as to the merits (*compétence de pleine juridiction*) in regard to the penalties provided for in these regulations.*

ARTICLE 173

Supervision of the legality of the acts of the Council and the Commission other than recommendations or opinions shall be a matter for the Court of Justice. The Court shall for this purpose have jurisdiction in proceedings instituted by a Member State, the Council or the Commission on the grounds of lack of jurisdiction, substantial violations of basic procedural rules, infringements of this Treaty or of any rule of law relating to effect being given to it or of misuse of powers (*détournement de pouvoir*).

Any natural or legal person may, under the same conditions, appeal against a decision directed to him or against a decision which, although in the form of a regulation or a decision directed to another person, is of direct and individual concern to him.

* Note.—French and Italian texts. German text adds "and power to vary or suspend such penalties".

The proceedings provided for in this Article shall be instituted within a period of two months, dating, as the case may be, either from the publication of the measure concerned or from its notification to the complainant or, in default of this, from the day on which the latter learned of the said measure.

ARTICLE 174

If the Court of Justice considers the complaint well founded, it shall declare the measure concerned to be null and void.

Provided always that if the Court declares a regulation null and void, it shall, if it considers this necessary, declare which effects of the annulled regulation shall be deemed to remain in force.

ARTICLE 175

Should the Council or the Commission in violation of this Treaty fail to act, the Member States and the other institutions of the Community may refer the matter to the Court of Justice in order to have the said violation placed on record.

No proceedings arising out of the said reference shall be heard unless the institution concerned has been called upon to act. If within two months of being so called upon, the institution concerned has not made its attitude clear, the said proceedings may be brought within a further period of two months.

Any natural or legal person may bring proceedings before the Court of Justice, under the conditions laid down in the preceding paragraphs, on the ground that one of the institutions of the Community has failed to send him a formal document, such document not being a recommendation or an opinion.

ARTICLE 176

An institution responsible for a measure subsequently declared null and void or an institution whose failure to act has been declared contrary to the provisions of this Treaty shall be required to take the necessary steps to implement the judgment of the Court of Justice.

This obligation shall not affect any obligation arising under Article 215, second paragraph.

ARTICLE 177

The Court of Justice shall be competent to give preliminary rulings (*à titre préjudiciel*) concerning:—

- (a) the interpretation of this Treaty;
- (b) the validity and interpretation of acts of the institutions of the Community;
- (c) the interpretation of the statutes of any bodies set up by a formal measure of the Council, where the said statutes so provide.

Where any such question is raised before any court of law of one of the Member States, the said court may, if it considers that a decision on the question is essential to enable it to render judgment, request the Court of Justice to give a ruling thereon.

Where any such question is raised in a case pending before a domestic court of a Member State, from whose decisions there is no possibility of appeal under domestic law, the said court is bound to refer the matter to the Court of Justice.

ARTICLE 178

The Court of Justice shall be competent to hear cases relating to compensation for any damage caused as provided for in Article 215, second paragraph.

ARTICLE 179

The Court of Justice shall have jurisdiction to adjudicate in any dispute between the Community and its subordinates within the limits of and under the conditions laid down by their statute or terms of employment.

ARTICLE 180

The Court of Justice shall be competent within the limits hereinafter set out to hear disputes concerning:—

- (a) The fulfilment by Member States of the obligations arising under the Statute of the European Investment Bank. The Board of Directors of the Bank shall, in this respect, enjoy the powers conferred upon the Commission by Article 169;
- (b) decisions of the Board of Governors of the Bank. In this matter, any Member State, the Commission or the Board of Directors of the Bank may institute proceedings under the conditions laid down in Article 173;
- (c) decisions of the Board of Directors of the Bank. Appeals against such decisions, brought in accordance with Article 173, may only be brought by Member States or by the Commission, and solely upon the grounds of non-compliance with the procedure prescribed by Articles 21 (2) and (5) to (7) inclusive of the Statute of the Bank.

ARTICLE 181

The Court of Justice shall have jurisdiction to give a decision pursuant to any arbitration clause (*compromis d'arbitrage*) contained in a contract concluded, by or on behalf of the Community, whether such contract be governed by public law (*droit public*), or private law (*droit privé*).

ARTICLE 182

The Court of Justice shall be competent to decide any dispute between Member States connected with the subject of this Treaty, where the said States submit the said dispute to the Court under a special agreement between them.

ARTICLE 183

Subject to the powers conferred on the Court of Justice by this Treaty, cases to which the Community is a party shall not for that reason alone be excluded from the jurisdiction of national courts.

ARTICLE 184

Where a regulation made by the Council or the Commission is the subject of legal proceedings, any of the parties concerned may, notwithstanding the expiry of the period laid down in Article 173 (3), invoke the grounds set out in Article 173 (1), in order to submit to the Court of Justice that the regulation in question does not apply.

ARTICLE 185

Proceedings instituted before the Court of Justice shall not suspend the operation of the act in question. The Court of Justice may, however, if it considers that circumstances so require, order that the operation of the act in question be suspended.

ARTICLE 186

The Court of Justice may, in any cases referred to it, prescribe any necessary interim measures.

ARTICLE 187

The judgments of the Court of Justice shall be enforceable under the conditions laid down in Article 192.

ARTICLE 188

The Statute of the Court of Justice shall be determined in a separate Protocol.

The Court of Justice shall lay down its rules of procedure. These shall require the unanimous approval of the Council.

CHAPTER 2—PROVISIONS COMMON TO SEVERAL INSTITUTIONS

ARTICLE 189

The Council and the Commission shall, in the discharge of their duties and in accordance with the provisions of this Treaty, issue regulations and directives, take decisions and formulate recommendations or opinions.

Regulations shall have general application. They shall be binding in every respect and directly applicable in each Member State.

Directives shall be binding, in respect of the result to be achieved, upon every Member State, but the form and manner of enforcing them shall be a matter for the national authorities.

Decisions shall be binding in every respect upon those to whom they are directed.

Recommendations and opinions shall have no binding force.

ARTICLE 190

The regulations, directives and decisions of the Council and of the Commission shall be fully reasoned and shall refer to any proposals or opinions which this Treaty requires to be obtained.

ARTICLE 191

The regulations shall be published in the Official Journal of the Community. They shall come into force on the date provided for in them or, failing this, on the twentieth day following their publication.

Directives and decisions shall be notified to those to whom they are addressed and shall take effect upon such notification.

ARTICLE 192

Decisions of the Council or of the Commission which include a pecuniary obligation on persons other than States shall have the enforceability of a Court judgment (*titre exécutoire*).

Enforcement shall be governed by the rules of civil procedure in force in the State in the territory of which it takes place. The order for its enforcement (*formule exécutoire*) shall be stamped on the decision, without more verification than that the document is authentic, by the national authority which the Government of each Member State shall designate for this purpose and which shall be notified to the Commission and to the Court of Justice.

When these formalities have been completed at his request, the party concerned may proceed to enforcement by applying directly to the authority which is competent according to domestic law.

Enforcement may only be suspended by a decision of the Court of Justice. Provided always that the proper method of enforcement shall be a matter for the domestic courts.

CHAPTER 3—THE ECONOMIC AND SOCIAL COMMITTEE

ARTICLE 193

An Economic and Social Committee shall be established with consultative status.

The Committee shall consist of representatives of the various categories of economic and social activity, in particular, representatives of producers, farmers, transport operators, workers, merchants, artisans, the professions and representatives of the general interest.

ARTICLE 194

The number of members of the Committee shall be as follows:

Belgium	..	..	..	..	..	12
France	..	..	..	..	..	24
Germany	..	..	..	..	..	24
Italy	..	..	..	..	..	24
Luxembourg	..	..	..	..	..	5
Netherlands	..	..	..	..	..	12

The members of the Committee shall be unanimously appointed by the Council for a period of four years. They may be re-appointed.

The members of the Committee shall be appointed in their personal capacity and may not be bound by any mandatory instructions.

ARTICLE 195

1. With a view to the appointment of the members of the Committee, each Member State shall provide the Council with a list containing twice as many candidates as there are seats allotted to its nationals.

The Committee shall be so composed as to ensure adequate representation of the various categories of economic and social activity.

2. The Council shall consult the Commission. It may obtain the opinion of European organisations representing the various economic and social sectors which have an interest in the activities of the Community.

ARTICLE 196

The Committee shall appoint from among its members its chairman and officers for a term of two years.

It shall lay down its rules of procedure and shall submit them for the unanimous approval of the Council.

The Committee shall be convened by its chairman at the request of the Council or of the Commission.

ARTICLE 197

The Committee shall include specialised sections corresponding with the principal fields of activity covered by this Treaty.

It shall contain, in particular, an agricultural section and a transport section, which are the subject of special provisions in the Titles of the Treaty relating to agriculture and transport.

These specialised sections shall function within the Committee's general sphere of competence. They may not be consulted independently of the Committee.

Sub-committees may also be established within the Committee in order to prepare, on specific questions or in specific fields, draft opinions to be submitted for consideration to the Committee.

The rules of procedure shall determine the details of the composition, and shall define the competence, of the specialised sections and sub-committees.

ARTICLE 198

The Committee shall be consulted by the Council or by the Commission where required by this Treaty. The Committee may be consulted by these institutions in all cases where they deem it appropriate.

The Council or the Commission shall, if it considers necessary, impose upon the Committee, for the submission of its opinion, a time-limit of not less than

ten days from the date on which a communication to this effect has been made to the chairman. If, upon the expiry of such time-limit, an opinion has not been submitted, the Council or the Commission may proceed without it.

The opinion of the Committee and that of the specialised section, together with a record of the proceedings, shall be transmitted to the Council and to the Commission.

TITLE II—FINANCIAL PROVISIONS

ARTICLE 199

Estimates shall be drawn up for each financial year of all revenues and expenditures of the Community, including those relating to the European Social Fund, and shall be shown in the budget.

Revenue and expenditure shall be balanced in the budget.

ARTICLE 200

1. The budget revenue shall include, in addition to any other revenue, the financial contributions of Member States calculated according to the following scale:—

Belgium	..	..	..	..	..	7.9
France	..	..	..	..	..	28
Germany	..	..	..	..	..	28
Italy	..	..	..	..	..	28
Luxembourg	..	..	..	..	..	0.2
Netherlands	..	..	..	..	..	7.9

2. Provided always that the financial contributions of Member States to cover the expenses of the European Social Fund shall be calculated according to the following scale:—

Belgium	..	..	..	..	..	8.8
France	..	..	..	..	..	32
Germany	..	..	..	..	..	32
Italy	..	..	..	..	..	20
Luxembourg	..	..	..	..	..	0.2
Netherlands	..	..	..	..	..	7

3. The Council may by a unanimous decision amend these scales.

ARTICLE 201

The Commission shall study the conditions under which the financial contributions of Member States provided for in Article 200 may be replaced by other resources available to the Community itself, in particular by revenue accruing from the common customs tariff when finally introduced.

The Commission shall for this purpose submit proposals to the Council.

The Council may, after consulting the Assembly as to these proposals, unanimously determine the provisions which it shall recommend the Member States to adopt in accordance with their respective constitutional requirements.

ARTICLE 202

The expenditure provided for in the budget shall be authorised for one financial year, unless the regulations adopted pursuant to Article 209 provide otherwise.

Subject to the conditions to be laid down pursuant to Article 209, any such appropriations other than those relating to staff costs as are unexpended at the end of the financial year may be carried forward, but not beyond the end of the following financial year.

Appropriations shall be set out under different chapters according to the type or purpose of the expenditure and subdivided, as far as may be necessary, in accordance with the regulations adopted pursuant to Article 209.

The expenses of the Assembly, the Council, the Commission and the Court of Justice shall be set out in separate sections of the budget, without prejudice to special arrangements for certain common expenses.

ARTICLE 203

1. The financial year shall run from 1 January to 31 December inclusive.

2. Each institution of the Community shall draw up provisional estimates of its expenditures. The Commission shall consolidate these estimates in a preliminary draft budget. It shall attach thereto an opinion which may contain estimates diverging from those submitted to it.

The preliminary draft budget shall be laid before the Council by the Commission not later than 30 September of the year preceding that in which it is to be operative.

The Council shall, whenever it intends to depart from the preliminary draft, consult the Commission and, where appropriate, the other institutions concerned.

3. The Council shall, by qualified majority vote, draw up the draft budget and then transmit it to the Assembly.

The draft budget shall be laid before the Assembly not later than 31 October of the year preceding that in which it is to be operative.

The Assembly shall be entitled to propose to the Council amendments to the draft budget.

4. If, within a period of one month from the receipt of the draft budget, the Assembly has given its approval, or has not made its opinion known to the Council, the draft budget shall be considered as finally adopted.

If, within this period, the Assembly has proposed any amendments, the draft budget so amended shall be transmitted to the Council. The Council shall

then discuss it with the Commission and, where appropriate, with the other institutions concerned and shall then finally adopt the budget by qualified majority vote.

5. For the adoption of the section of the budget relating to the European Social Fund the votes of the members of the Council shall be weighted as follows:

Belgium	..	..	..	..	..	8
France	..	..	..	..	..	32
Germany	..	..	..	..	..	32
Italy	..	..	..	..	..	20
Luxembourg	..	..	..	..	..	1
Netherlands	..	..	..	..	..	7

Resolutions shall be carried if at least 67 votes are cast in their favour.

ARTICLE 204

If, at the beginning of the financial year, the budget has not yet been voted, expenditures may be effected on a monthly basis for each chapter or other division of the budget, in accordance with the provisions of the regulations adopted pursuant to Article 209, up to one-twelfth of the budget appropriations for the preceding financial year, provided that the amount so made available to the Commission shall not exceed one-twelfth of the total appropriations shown in the draft budget in preparation.

The Council may, by qualified majority vote, and provided that the other provisions laid down in the first paragraph of this Article are observed, authorise expenditure in excess of one-twelfth of the appropriations.

Member States shall pay every month, on an interim basis and in accordance with the scales laid down for the previous financial year, the amounts necessary to ensure the effective implementation of this Article.

ARTICLE 205

The Commission shall, in accordance with the provisions of the regulations adopted pursuant to Article 209, implement the budget on its own responsibility and within the limits of the appropriations allotted.

The regulations shall lay down in detail exactly how each institution is to expend the funds voted to it.

The Commission may, subject to the limits and conditions laid down in the regulations adopted pursuant to Article 209, transfer within the budget appropriations as between the various chapters or sub-divisions.

ARTICLE 206

The accounts of all revenues and expenditures contained in the budget shall be examined by a supervisory committee composed of auditors whose independence can be fully guaranteed, of whom one shall be the chairman. The Council shall unanimously decide how many auditors there shall be. The auditors and

the chairman of the supervisory committee shall be appointed by the Council, by a unanimous decision, for a period of five years. Their remuneration shall be determined by the Council by a qualified majority vote.

The auditing of the accounts, which shall be based on vouchers and shall take place if necessary on the spot, shall take place in order to establish that all revenue has been received and all expenditure effected in a lawful and regular manner and that the financial management is sound. Every year, when the financial year has ended, the supervisory committee shall draw up a report, by a majority vote of its members.

The Commission shall annually submit to the Council and to the Assembly the accounts of the preceding financial year relating to the working of the budget, together with the report of the supervisory committee. The Commission shall also submit a balance sheet to them showing the Community's assets and liabilities.

The Council shall by qualified majority vote give the Commission a discharge in respect of the implementation of the budget. It shall communicate its decision to the Assembly.

ARTICLE 207

The budget shall be drawn up in the unit of account fixed in accordance with the provisions of the financial regulations adopted pursuant to Article 209.

The financial contributions provided for in Article 200 (1) shall be made to the Community by Member States in their respective national currencies.

The available balances of these contributions shall be deposited with the Treasuries of Member States or with bodies designated by them. The funds, while on deposit, shall retain their par value in relation to the unit of account referred to in the first paragraph of this Article, such par value being that in force at the date of deposit.

These balances may be invested under conditions agreed between the Commission and the Member State concerned.

The regulations adopted pursuant to Article 209 shall determine the technical conditions under which the financial affairs of the European Social Fund shall be conducted.

ARTICLE 208

The Commission may, provided it notifies the competent authorities of the Member States concerned, transfer its holdings in the currency of any one Member State into the currency of another Member State, in so far as this may be necessary in order to enable such funds to be used for the purposes for which they are intended in accordance with this Treaty. The Commission shall, as far as possible, refrain from making such transfers if it possesses liquid or realisable assets in the currencies which it needs.

The Commission shall communicate with each Member State through the authority designated by the State concerned. The Commission shall have recourse, for the conducting of financial business, to the services of the central bank of the Member State concerned or of any other financial institution approved by that State.

The Council shall by a unanimous decision, on a proposal of the Commission:

- (a) lay down the financial regulations and, in particular, specify the procedure to be adopted for drawing up and implementing the budget and for presenting and auditing accounts;
- (b) determine the methods and procedure whereby the contributions of Member States shall be made available to the Commission;
- (c) lay down the rules concerning the responsibility of officials in charge of payments and accountants and organise their supervision.

Part Six

GENERAL AND FINAL PROVISIONS

ARTICLE 210

The Community shall have legal personality.

ARTICLE 211

The Community shall in each of the Member States enjoy the most extensive legal capacity accorded to legal persons under their domestic law; it may, in particular, acquire or dispose of movable and immovable property and may sue and be sued in its own name. For this purpose the Community shall be represented by the Commission.

ARTICLE 212

The Council shall, by a unanimous decision, in co-operation with the Commission and after consulting the other institutions concerned, lay down the statute of service for officials and the conditions of employment for other servants of the Community.

After this Treaty has been in force for four years, the Council may amend such statute and conditions of employment. It shall do so by qualified majority vote on a proposal of the Commission after the other institutions concerned have been consulted.

ARTICLE 213

In order to discharge its duties, the Commission may collect any information and carry out any necessary checks on any matters within the limits and under the conditions laid down by the Council in accordance with the provisions of this Treaty.

ARTICLE 214

The members of the Community's institutions, the members of committees, as well as officials and other servants of the Community shall be required, even after their employment has ended, not to disclose information which is of the kind which is covered by professional secrecy (*secret professionnel*). This particularly applies to information about undertakings and their business relations and about how their cost prices are made up.

ARTICLE 215

The contractual liability of the Community shall be governed by the law applying to the contract in question.

In the case of non-contractual liability, the Community shall, in accordance with the general principles common to the laws (*droits*) of Member States, make good any damage caused by its institutions or by its servants in the performance of their duties.

The personal liability of its servants towards the Community shall be defined in the provisions establishing their statute of service or their conditions of employment.

ARTICLE 216

The seat of the Community's institutions shall be fixed by mutual agreement between the governments of the Member States.

ARTICLE 217

The rules governing the languages of the institutions of the Community shall, without prejudice to the provisions of the Rules of Procedure of the Court of Justice, be unanimously determined by the Council.

ARTICLE 218

The Community shall enjoy the privileges and immunities essential to its work in the territories of the Member States, as shall be provided for in a separate Protocol.

ARTICLE 219

Member States undertake not to submit a dispute concerning the interpretation or application of this Treaty to any method of settlement other than those provided for in this Treaty.

ARTICLE 220

Member States shall, in so far as necessary, enter into negotiations with each other with a view to ensuring for the benefit of their nationals:

- the protection of persons as well as the enjoyment and protection of rights under the same conditions as those accorded by each State to its own nationals;
- the abolition of double taxation within the Community;
- the mutual recognition of firms or companies as defined in Article 58, second paragraph, the maintenance of their legal personality, if their registered office is transferred from one country to another, and the possibility of mergers between firms or companies which are subject to different domestic laws;
- the simplification of the formalities governing the reciprocal recognition and enforcement of judgments of the ordinary courts of law (*décisions judiciaires*) and arbitral awards.

ARTICLE 221

Within three years of this Treaty coming into force, Member States shall permit the nationals of other Member States to participate financially in the

capital of firms or companies, as defined in Article 58, in the same manner as their own nationals. This shall be without prejudice to the other provisions of this Treaty.

ARTICLE 222

This Treaty shall in no way prejudice existing systems and incidents of ownership (*propriété*).

ARTICLE 223

1. The provisions of this Treaty shall not adversely affect the following rules:

- (a) No Member State shall be obliged to supply information the disclosure of which it considers contrary to the essential interests of its security;
- (b) Any Member State may take whatever measures it considers necessary for the protection of the essential interests of its security, and which are connected with the production of or trade in arms, munitions and war material; such measures shall, however, not adversely affect conditions of competition in the Common Market in the case of products which are not intended for specifically military purposes.

2. During the first year after this Treaty comes into force, the Council shall, by a unanimous decision, determine the lists of products to which the provisions of paragraph 1 (b) shall apply.

3. The Council may, by a unanimous decision, on a proposal of the Commission, amend the said list.

ARTICLE 224

Member States shall consult one another with a view to taking in common the necessary steps to prevent the operation of the Common Market from being affected by measures which a Member State may be called upon to take in case of serious internal disturbances affecting law and order (*ordre public*), in case of war or serious international tension constituting a threat of war, or in order to carry out undertakings into which it has entered for the purpose of maintaining peace and international security.

ARTICLE 225

If the measures taken under the conditions envisaged in Articles 223 and 224 have the effect of distorting conditions of competition in the Common Market, the Commission shall, jointly with the State concerned, investigate the conditions under which these measures may be adapted to the rules laid down by this Treaty.

Notwithstanding the procedure provided for in Articles 169 and 170, the Commission or any Member State may apply directly to the Court of Justice if it considers that another Member State is making an improper use of the powers provided for under Articles 223 and 224. The Court of Justice shall sit *in camera*.

ARTICLE 226

1. If, during the transitional period, serious difficulties, which might persist, arise in one sector of the economy or if there are difficulties which may result in

a region suffering grave economic hardship, a Member State may request authority to take protective measures in order to rectify the position and adapt the sector concerned to the economy of the Common Market.

2. At the request of the State concerned, the Commission shall, by emergency procedure and without delay, determine the protective measures which it deems necessary, indicating specifically the circumstances in which, and the manner in which these are to be given effect to.

3. The measures authorised under paragraph 2 may include derogations from the rules of this Treaty, to such an extent and for such periods as are strictly necessary in order to achieve the objectives referred to in paragraph 1 of this Article. Priority shall be given in the choice of such measures to those which will least disturb the operation of the Common Market.

ARTICLE 227

1. This Treaty shall apply to the Kingdom of Belgium, the French Republic, the Federal Republic of Germany, the Italian Republic, the Grand Duchy of Luxembourg and the Kingdom of the Netherlands.

2. With regard to Algeria and the French overseas departments, the general and special provisions of this Treaty relating to:

- the free movement of goods,
- agriculture, save for Article 40 (4),
- the liberalisation of services,
- the rules of competition,
- the protective measures provided for in Articles 108, 109 and 226,
- the institutions,

shall apply as soon as this Treaty comes into force.

The conditions under which the other provisions of this Treaty are to apply shall be determined by unanimous decisions of the Council, on a proposal of the Commission, at the latest two years after this Treaty comes into force.

The institutions of the Community shall, within the framework of the procedure laid down in this Treaty and, in particular, of Article 226, devote attention to facilitating the economic and social development of the regions concerned.

3. The overseas countries and territories listed in Annex IV to this Treaty shall be the subject of the special arrangements for association described in Part IV of this Treaty.

4. The provisions of this Treaty shall apply to the European territories for whose external relations a Member State is responsible.

ARTICLE 228

1. Where this Treaty provides for the conclusion of agreements between the Community and one or more States or an international organisation, such agreements shall be negotiated by the Commission. Subject to the powers

conferred upon the Commission in this respect, such agreements shall be concluded by the Council after the Assembly has been consulted where required by this Treaty.

The Council, the Commission or a Member State may, as a preliminary, obtain the opinion of the Court of Justice as to the extent to which the agreements contemplated are compatible with the provisions of this Treaty. An agreement which has been the subject of an adverse opinion by the Court of Justice shall only come into force under the conditions laid down in Article 236.

2. Agreements concluded under the conditions laid down above shall be binding on the institutions of the Community and on Member States.

ARTICLE 229

It shall be for the Commission to ensure the maintenance of all appropriate relations with the organs of the United Nations, of their Specialised Agencies and of the General Agreement on Tariffs and Trade.

The Commission shall also ensure appropriate relations with all international organisations.

ARTICLE 230

The Community shall co-operate with the Council of Europe wherever desirable.

ARTICLE 231

The Community shall establish close collaboration with the Organisation for European Economic Co-operation; the details of this shall be determined by mutual agreement.

ARTICLE 232

1. The provisions of this Treaty shall not affect the provisions of the Treaty setting up the European Coal and Steel Community. This applies in particular to the rights and obligations of Member States, to the powers of the institutions of the said Community and to the rules laid down by the said Treaty for the operation of the common market for coal and steel.

2. The provisions of this Treaty shall not derogate from the provisions of the Treaty establishing the European Atomic Energy Community.

ARTICLE 233

The provisions of this Treaty shall not bar the existence or development of regional unions between Belgium and Luxembourg, and between Belgium, Luxembourg and the Netherlands, in so far as the objectives of these regional unions are not achieved by the application of this Treaty.

ARTICLE 234

The rights and obligations arising from agreements concluded between one or more Member States on the one hand, and one or more third countries on the other hand before this Treaty came into force shall not be affected by the provisions of this Treaty.

In so far as such agreements are not compatible with this Treaty, the Member State or States concerned shall take all appropriate steps to eliminate any proven incompatibilities. Member States shall where necessary assist each other to achieve this aim and shall, where appropriate, adopt a common policy.

Member States shall, when carrying out the agreements referred to in the first paragraph of this Article, take into account the fact that the benefits granted under this Treaty by each Member State form an integral part of the establishment of the Community and are thereby inseparably linked with the creation of common institutions, the conferring of powers on such institutions and the granting of the same advantages by all other Member States.

ARTICLE 235

Where action by the Community appears necessary to achieve one of the objectives of the Community, within the framework of the Common Market, and where this Treaty has not provided for the necessary powers of action, the Council shall adopt the appropriate provisions by a unanimous decision, after consulting the Assembly.

ARTICLE 236

The Government of any Member State or the Commission may submit to the Council proposals for the revision of this Treaty.

If the Council, after consulting the Assembly and, where appropriate, the Commission, expresses an opinion in favour of the calling of a conference of representatives of the Governments of Member States, such conference shall be convened by the President of the Council for the purpose of determining by common agreement the amendments to be made to this Treaty.

Such amendments shall come into force after being ratified by all Member States in accordance with their respective constitutional requirements.

ARTICLE 237

Any European State may apply to become a member of the Community. It shall address its application to the Council which, after obtaining the opinion of the Commission, shall give a unanimous decision thereon.

The conditions of admission and the adjustments to this Treaty necessitated by it shall be the subject of an agreement between the Member States and the applicant State. Such agreement shall be submitted for ratification by all the contracting States in accordance with their respective constitutional requirements.

ARTICLE 238

The Community may conclude with a third country, a union of States or an international organisation agreements creating an association embodying reciprocal rights and obligations, joint actions and appropriate forms of procedure.

Such agreements shall be concluded by the Council by a unanimous decision and after consulting the Assembly.

Where such agreements involve amendments to this Treaty, such amendments shall first be adopted in accordance with the procedure laid down in Article 236.

ARTICLE 239

The Protocols which are to be annexed to this Treaty by common agreement between the Member States shall form an integral part thereof.

ARTICLE 240

This Treaty is concluded for an unlimited period.

THE SETTING UP OF THE INSTITUTIONS

ARTICLE 241

The Council shall meet within one month from the date of this Treaty coming into force.

ARTICLE 242

The Council shall take all appropriate measures to constitute the Economic and Social Committee within three months of the Council's first meeting.

ARTICLE 243

The Assembly shall meet within two months of the Council's first meeting in order to elect its officers and draw up its rules of procedure. It shall be convened by the President of the Council. The Assembly shall be presided over by its oldest member, until it has elected its officers.

ARTICLE 244

The Court of Justice shall enter upon its duties as soon as its members have been appointed. Its first President shall be appointed for three years in the same manner as its members.

The Court of Justice shall lay down its rules of procedure within three months of entering upon its duties.

No proceedings can be instituted in the Court of Justice until its rules of procedure have been published. Time-limits for the starting of proceedings shall only run as from that date.

The President of the Court of Justice shall, upon his appointment, exercise the powers conferred upon him by this Treaty.

ARTICLE 245

The Commission shall enter upon its duties and assume the responsibilities conferred upon it by this Treaty as soon as its members have been appointed.

The Commission shall, immediately it enters upon its duties, undertake the studies and establish the relations necessary to effect a general survey of the Community's economic state.

ARTICLE 246

1. The period of the first financial year shall extend from the date when this Treaty comes into force until the following 31 December. Provided always that should this Treaty come into force during the second half of the year, such period shall continue until 31 December of the following year.

2. Until the budget for the first financial year has been drawn up, Member States shall make the Community advances free of interest. These shall be deducted from their financial contributions to the said budget.

3. Until the statute of service for officials and the conditions of employment applicable to other servants of the Community, as provided for in Article 212, have been determined, each institution shall recruit the staff it needs and shall, for this purpose, conclude contracts of limited duration.

Each institution shall examine together with the Council any questions concerning the number, remuneration and distribution of posts.

FINAL PROVISIONS

ARTICLE 247

This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. The instruments of ratification shall be deposited with the Government of the Italian Republic.

This Treaty shall come into force on the first day of the month following the deposit of the instrument of ratification by the last signatory State to do so. Provided always that if such deposit is made less than fifteen days before the beginning of the following month, this Treaty shall not come into force until the first day of the second month after the date of such deposit.

ARTICLE 248

The present Treaty, drawn up in a single original in the French, German, Italian and Netherlands languages, all four texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic which shall transmit a certified copy to each of the Governments of the other signatory States.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have affixed their signatures below this Treaty.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

Appendices

I

ANNEXES

ANNEX I

LISTS A TO G

referred to in Articles 19 and 20 of this Treaty

LIST A

List of tariff headings in respect of which the duties listed in column 3 below are to be taken into account in calculating the arithmetical average

(1)	(2)	(3)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	<i>Duty (in %) to be taken into account for France</i>
ex 15.10	Acid oils from refining	18
15.11	Glycerol and Glycerol lyes:	
	—crude	6
	—purified	10
19.04	Tapioca and sago; tapioca and sago substitutes obtained from potato or other starches	45
ex 28.28	Vanadic pentoxide	15
ex 28.37	Neutral sodium sulphite	20
ex 28.52	Cerous chloride; cerous sulphate	20
ex 29.01	Aromatic hydrocarbons:	
	—Xylenes:	
	—isomer mixtures	20
	—orthoxylyene, metaxylyene, paraxylyene	25
	—Styrolene (styrene) monomer	20
	—Isopropylbenzene (cumene)	25
ex 29.02	Dichloromethane	20
	Monomer Vinylidene chloride	25
ex 29.03	Toluene parasulphonyl chloride	15
ex 29.15	Dimethyl terephthalate	30
ex 29.22	Ethylenediamine and its salts	20
ex 29.23	Cyclic amino-aldehydes, cyclic amino-ketones and amino-quinones, their halogenated, sul- phonated, nitrated or nitrosated derivatives, their salts and esters	25

(1)	(2)	(3)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	<i>Duty (in %) to be taken into account for France</i>
ex 29.25	Homoveratryl amine	25
29.28	Diazo-, azo- and azoxy-compounds	25
ex 29.31	Disulphide of bichlorated benzyl	25
ex 29.44	Antibiotics, other than penicillin, streptomycin, chloramphenicol and their salts, and auromycin	15
ex 30.02	Anti-aphthous vaccines, strains of micro- organisms for their manufacture; anti-sera and vaccines against swine-fever	15
ex 30.03	Sarkomycin	13
ex 31.02	Mineral or chemical fertilisers, nitrogenous, composite	20
ex 31.03	Mineral or chemical fertilisers, phosphatic: —single: —superphosphates: —of bone —other —mixed	10 12 7
ex 31.04	Mineral or chemical fertilisers, potassic, mixed	7
ex 31.05	Other fertilisers, including both composite and complex fertilisers: —phosphor nitrates and ammonium-potassium phosphates —other fertilisers, excluding dissolved organic fertilisers Fertilisers in tablets, lozenges and similar pre- pared forms or in packings of a gross weight not exceeding ten kilogrammes	10 7 15
ex 32.07	Natural magnetite finely crushed of the types employed for use as pigments and intended exclusively for washing coal	25
ex 37.02	Film in rolls, sensitised, unexposed, perforated: —for monochrome pictures, positives, im- ported in packages containing three units non-utilisable separately and intended to constitute the basis of a polychrome film —for polychrome pictures exceeding 100 metres in length	20 20

(1)	(2)	(3) <i>Duty (in %) to be taken into account for France</i>
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	
ex 39.02	Polyvinylidene chloride; butyral in sheets	30
ex 39.03	Cellulose esters, excluding nitrates and acetates Plastics based on cellulose esters (other than nitrates and acetates)	20 15
	Plastic materials on the basis of ethers or other chemical derivatives of cellulose	30
ex 39.06	Alginic acid, its salts and esters, dry	20
ex 48.01	Paper and paperboard, machine-made: —Kraft paper and kraft paperboard —Other, continuously made, consisting of two or more layers, with kraft paper inside	25 25
48.04	Composite paper or paperboard (made by sticking flat layers together with an adhesive), not surface-coated or impregnated, whether or not internally reinforced, in rolls or sheets	25
ex 48.05	Paper and paperboard, corrugated Kraft paper and kraft paperboard, creped or crinkled	25 25
ex 48.07	Kraft paper and kraft paperboard, adhesive	25
ex 51.01	Yarn of man-made (artificial) fibres (continuous), single, not twisted or twisted at less than 400 turns	20
ex 55.05	Multiple cotton yarn, other than fancy yarn, un- bleached, of a length not less than 337,500 meters per kilogramme, measured in the single yarn	20
ex 57.07	Yarn of coconut	18
ex 58.01	Carpets, carpeting and rugs, knotted, of silk, silk-waste, man-made textile fibres, yarn falling within heading No. 52.01, metal-thread yarn, of wool or of fine animal hair	80
ex 59.04	Multiple yarn of coconut	18
ex 71.04	Dust and powder of diamonds	10
ex 84.10	Bodies of pumps made of stainless steel or of light metals or their alloys, for use in aviation piston engines	15

(1)	(2)	(3)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	<i>Duty (in %) to be taken into account for France</i>
ex 84.11	Bodies of pumps or compressors made of other than stainless steel or of light metals or their alloys, for use in aviation piston engines	15
ex 84.37	Machines for making plain or figured tulle, and lace	10
	Machines for making embroidery, other than thread drawing and binding machines (machines for making open-work embroidery)	10
ex 84.38	Auxiliary machinery for use with machines for making plain or figured tulle, and lace:	
	—Machines for lifting the slides	10
	—Jacquards	18
	Auxiliary machinery for use with machines for making embroidery:	
	—Automatic machinery	18
	—Card punching machines, card repeating machines, control machines, spool-winders	10
	Parts and accessories for machinery for making plain or figured tulle, and lace, and for their auxiliary apparatus and machinery:	
	—Slides, bobbins, combs, slide bars and ribs of combs for flat machines, battens (their plates and blades), complete bobbins and parts of battens and bobbins for circular machines	10
	Accessories and parts for machinery for making embroidery and for their auxiliary apparatus and machinery:	
	—Shuttles, shuttle-boxes including their plates; clips	10
ex 84.59	Coil winders for winding conductor-wires and insulating or protecting bands for the manufacture of electric coils	23
	Starters, direct drive or inertia, for aircraft	25
ex 84.63	Crankes for aviation piston engines	10
ex 85.08	Starter motors for aircraft	20
	Ignition magnetos, including magneto-dynamos, for aircraft	25

(1)	(2)	(3)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	<i>Duty (in %) to be taken into account for France</i>
88.01	Balloons and airships	25
ex 88.03	Parts for balloons and airships	25
88.04	Parachutes and parts thereof and accessories thereto	12
88.05	Catapults and similar aircraft launching gear, parts thereof	15
	Ground flying trainers and parts thereof	20
ex 90.14	Instruments for air navigation	18
ex 92.10	Mechanisms and keyboards (containing not less than 85 notes) for pianos	30

LIST B

List of tariff headings in respect of which duties under the common customs tariff may not exceed 3 per cent.

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 5	
05.01	
05.02	
05.03	
05.05	
05.06	
ex 05.07	Feathers, skins and other parts of birds with their feathers or down, unworked, (other than unworked feathers or down for bedding)
05.09	
to	
05.12	
ex 05.13	Natural sponges, unworked
CHAPTER 13	
13.01	
13.02	
CHAPTER 14	
14.01	
to	
14.05	
CHAPTER 25	
25.02	
ex 25.04	Natural graphite, not put up for retail sale
25.05	
25.06	

(1)	(2)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>
CHAPTER 25 (<i>contd.</i>)	
ex 25.07	Clay (other than kaolin), but not including expanded clays falling within heading No. 68.07, andalusite and kyanite, whether or not calcined, mullite, chamotte and dinas earths
ex 25.08	Chalk, not put up for retail sale
ex 25.09	Earth colours, not calcined or mixed together; natural micaceous iron oxides
25.10	
25.11	
ex 25.12	Infusorial earths, siliceous fossil meals and similar siliceous earths (for example, kieselguhr, tripolite or diatomite) of an apparent density of 1 or less, whether or not calcined, not put up for retail sale
ex 25.13	Pumice stone, emery, natural corundum and other natural abrasives, not put up for retail sale
25.14	
ex 25.17	Flint; crushed or broken stone, macadam and tarred macadam, pebbles and gravel, of a kind commonly used for road metalling, for railway or other ballast or for concrete aggregates; shingle
ex 25.18	Dolomite, not further worked than roughly split, roughly squared or squared by sawing
25.20	
25.21	
25.24	
25.25	
25.26	
ex 25.27	Natural steatite, including natural steatite not further worked than roughly split, roughly squared or squared by sawing; talc other than in packings of a net weight not exceeding one kilogramme
25.28	
25.29	
25.31	
25.32	

(1)	(2)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>
CHAPTER 26	
ex 26.01	Metallic ores and concentrates other than lead ore, zinc ore and products covered by the European Coal and Steel Community; roasted iron pyrites
26.02	
ex 26.03	Ash and residues (other than from the manufacture of iron or steel), containing metals or metallic compounds other than those containing zinc
26.04	
CHAPTER 27	
27.03	
ex 27.04	Coke and semi-coke of coal for the manufacture of electrodes and coke of peat
27.05	
27.05 bis	
27.06	
ex 27.13	Ozokerite, lignite wax and peat wax, crude
27.15	
27.17	
CHAPTER 31	
31.01	
ex 31.02	Natural sodium nitrate
CHAPTER 40	
40.01	
40.03	
40.04	
CHAPTER 41	
41.09	
CHAPTER 43	
43.01	

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 44	
44.01	
CHAPTER 47	
47.02	
CHAPTER 50	
50.01	
CHAPTER 53	
53.01	
53.02	
53.03	
53.05	
CHAPTER 55	
ex 55.02	Cotton linters, other than raw
55.04	
CHAPTER 57	
57.04	
CHAPTER 63	
63.02	
CHAPTER 70	
ex 70.01	Waste glass (cullet)
CHAPTER 71	
ex 71.01	Pearls unworked
ex 71.02	Precious and semi-precious stones, unworked
71.04	
71.11	
CHAPTER 77	
ex 77.04	Beryllium, unwrought

LIST C

List of tariff headings in respect of which duties under the common customs tariff may not exceed 10 per cent.

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 5	
ex 05.07	Feathers, skins and other parts of birds, with their feathers or down, other than unworked
05.14	
CHAPTER 13	
ex 13.03	Vegetable saps and extracts; agar-agar and other natural mucilages and thickeners extracted from vegetable materials (excluding pectin)
CHAPTER 15	
ex 15.04	Fats and oils, of fish and marine mammals, whether or not refined (excluding whale oil)
15.05	
15.06	
15.09	
15.11	
15.14	
CHAPTER 25	
ex 25.09	Earth colours, calcined or mixed together
ex 25.15	Marble, travertine, ecaussine and other calcareous monumental and building stone of an apparent density of 2.5 or more and alabaster, not further worked than squared by sawing, of a thickness not exceeding 25 centimetres.
ex 25.16	Granite, porphyry, basalt, sandstone and other monumental and building stone, not further worked than squared by sawing, of a thickness not exceeding 25 centimetres
ex 25.17	Granules, chippings and powder of stones falling within the heading No. 25.15 or 25.16
ex 25.18	Dolomite, agglomerated or calcined (including tarred dolomite)
25.22	
25.23	

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 27	
ex 27.07	Oils and other products of the distillation of high temperature coal tar and other oils and products as defined in Note 2 to this Chapter, excluding phenols, cresols and xylenols
27.08	
ex 27.13	Ozokerite, lignite wax and peat wax, other than natural
ex 27.14	Petroleum bitumen and other petroleum and shale oil residues, excluding petroleum coke
CHAPTER 30	
ex 30.01	Organo-therapeutic gland or other organs dried, whether or not powdered
CHAPTER 32	
ex 32.01	Tanning extracts of vegetable origin, other than extracts of wattle (<i>mimosa</i>) and <i>quebracho</i>
32.02	
32.03	
32.04	
CHAPTER 33	
ex 33.01	Essential oils (terpeneless or not); concretes and absolutes, excluding essential oils of citrus fruit; resinoids
33.02	
33.03	
33.04	
CHAPTER 38	
38.01	
38.02	
38.04	
38.05	
38.06	
ex 38.07	Spirits of turpentine; sulphate turpentine, crude; crude dipentene
38.08	
38.10	

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 40	
40.05	
ex 40.07	Textile thread covered or impregnated with vulcanised rubber
40.15	
CHAPTER 41	
41.02	
ex 41.03	Sheep and lamb skin leather, worked after tanning
ex 41.04	Goat and kid skin leather, worked after tanning
41.05	
41.06	
41.07	
41.10	
CHAPTER 43	
43.02	
CHAPTER 44	
44.06	
to	
44.13	
44.16	
44.17	
44.18	
CHAPTER 48	
ex 48.01	Newsprint in rolls
CHAPTER 50	
50.06	
50.08	

(1)
*No. in the
 Brussels
 Nomenclature*

(2)
Description of products

CHAPTER 52

52.01

CHAPTER 53

53.06

to

53.09

CHAPTER 54

54.03

CHAPTER 55

55.05

CHAPTER 57

- ex 57.05 Yarn of true hemp, not put up for retail sale
- ex 57.06 Yarn of jute, not put up for retail sale
- ex 57.07 Yarn of other vegetable textile fibres, not put up for retail sale
- ex 57.08 Paper yarn, not put up for retail sale

CHAPTER 68

68.01

68.03

68.08

- ex 68.10 Building materials of plastering material
- ex 68.11 Building materials of cement (including slag cement), of concrete or of artificial stone (including materials of granulated marble, agglomerated with cement), reinforced or not
- ex 68.12 Building materials of asbestos-cement, of cellulose fibre-cement or the like
- ex 68.13 Fabricated asbestos; mixtures with a basis of asbestos and mixtures with a basis of asbestos and magnesium carbonate

CHAPTER 69

69.01

69.02

69.04

69.05

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 70	
ex 70.01	Glass in the mass (excluding optical glass)
70.02	
70.03	
70.04	
70.05	
70.06	
70.16	
CHAPTER 71	
ex 71.05	Silver and silver alloys, unwrought
ex 71.06	Rolled silver, unworked
ex 71.07	Gold and gold alloys, unwrought
ex 71.08	Rolled gold on base metal or silver, unworked
ex 71.09	Platinum and other metals of the platinum group, unwrought
ex 71.10	Rolled platinum or other platinum group metals, on base metal or precious metal, unworked
CHAPTER 73	
73.04	
73.05	
ex 73.07	Blooms, billets, slabs and sheet bars (including tin-plate bars), of iron or steel (other than products covered by the European Coal and Steel Community); pieces roughly shaped by forging, of iron or steel
ex 73.10	Bars and rods (including wire rod), of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished (including precision-made); hollow mining drill steel (other than products covered by the European Coal and Steel Community)
ex 73.11	Angles, shapes and sections, of iron or steel, hot-rolled, forged, extruded, cold-formed or cold-finished, sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements (other than products covered by the European Coal and Steel Community)

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 73 (<i>contd.</i>)	
ex 73.12	Hoop and strip, of iron or steel, hot-rolled or cold-rolled (other than products covered by the European Coal and Steel Community)
ex 73.13	Sheets and plates, of iron or steel, hot-rolled or cold-rolled; (other than products covered by the European Coal and Steel Community)
73.14	
ex 73.15	Alloy steel and high carbon steel in the forms mentioned in headings No. 73.06 to 73.14 (other than products covered by the European Coal and Steel Community)
CHAPTER 74	
74.03	
74.04	
ex 74.05	Copper foil (whether or not embossed, cut to shape, perforated, coated or printed), other than backed with reinforcing material
ex 74.06	Copper powder (other than finely divided powder)
CHAPTER 75	
75.02	
75.03	
ex 75.05	Electro-plating anodes, of nickel, unwrought
CHAPTER 76	
76.02	
76.03	
ex 76.04	Aluminium foil (whether or not embossed, cut to shape, perforated, coated or printed), other than that backed with reinforcing material
ex 76.05	Aluminium powder (other than finely divided powder)
CHAPTER 77	
ex 77.02	Wrought bars, rods, angles, shapes and sections of magnesium; magnesium wire; wrought plates, sheets and strips of magnesium foil; raspings and shavings of uniform size; magnesium powder (other than finely divided powder)
ex 77.04	Wrought bars, rods, angles, shapes and sections of beryllium; wrought plates, sheets and strip of beryllium; beryllium foil

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 78	
78.02	
78.03	
ex 78.04	Lead foil (whether or not embossed, cut to shape, perforated, coated or printed), other than that backed with reinforcing material
CHAPTER 79	
79.02	
79.03	
CHAPTER 80	
80.02	
80.03	
ex 80.04	Tin foil (whether or not embossed, cut to shape, perforated, coated or printed), other than that backed with reinforcing material
CHAPTER 81	
ex 81.01	Wrought bars, rods, angles, shapes and sections of tungsten (wolfram); wrought plates, sheets and strip of tungsten (wolfram); tungsten (wolfram) foil; wire and filament of tungsten (wolfram)
ex 81.02	Wrought bars, rods, angles, shapes and sections of molybdenum; wrought plates, sheets and strip of molybdenum; molybdenum foil; wire and filament of molybdenum
ex 81.03	Wrought bars, rods, angles, shapes and sections of tantalum; wrought plates, sheets and strip of tantalum; tantalum foil; wire and filament of tantalum
ex 81.04	Wrought bars, rods, angles, shapes and sections of other base metals; wrought plates, sheets and strip of other base metals; foil, wire and filament of other base metals
CHAPTER 93	
ex 93.06	Sawn gun stock blocks
CHAPTER 95	
ex 95.01	Carving material; shaped, i.e., plates, sheets, rods, tubes and the like, not polished or otherwise worked
to	
ex 95.07	
CHAPTER 98	
ex 98.11	Roughly shaped blocks of wood or root for smoking pipes

LIST D

List of tariff headings in respect of which duties under the common customs tariff may not exceed 15 per cent.

(1)	(2)
<i>No. in the Brussels</i>	<i>Description of products</i>
<i>Nomenclature</i>	
CHAPTER 28	<i>Inorganic chemicals; organic and inorganic compounds of precious metals, of rare earth metals, of radio-active elements and of isotopes</i>
ex 28.01	Halogens (other than crude iodine and bromine)
ex 28.04	Hydrogen, rare gases and other metalloids and non-metals (excluding selenium and phosphorus)
28.05	
to	
28.10	
ex 28.11	Arsenic trioxide; acid of arsenic
28.13	
to	
28.22	
28.24	
28.26	
to	
28.31	
ex 28.32	Chlorates (excluding sodium chlorate and potassium chlorate) and perchlorates
ex 28.34	Oxyiodides and periodates
28.35	
to	
28.45	
28.47	
to	
28.58	

LIST E

List of tariff headings in respect of which duties under the common customs tariff may not exceed 25 per cent.

(1)	(2)
<i>No. in the Brussels</i>	<i>Description of products</i>
<i>Nomenclature</i>	
CHAPTER 29	<i>Organic chemicals</i>
ex 29.01	Hydrocarbons (excluding naphthalene)
29.02	
29.03	
ex 29.04	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives (excluding butyl and isobutyl alcohols)
29.05	
ex 29.06	Phenols (excluding phenol, cresols and xylenols) and phenol-alcohols
29.07	
to	
29.45	
CHAPTER 32	
32.05	
32.06	
CHAPTER 39	
39.01	
to	
39.06	

LIST F

List of tariff headings in respect of which duties under the common customs tariff have been fixed by mutual agreement

(1)	(2)	(3)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	<i>Common customs tariff (ad valorem rate in %)</i>
ex 01.01	Live horses for slaughtering	11
ex 01.02	Live animals of the bovine species (other than pedigree animals for breeding purposes)*	16
ex 01.03	Live swine (other than pedigree animals for breeding purposes)*	16
ex 02.01	Meat and edible offals, fresh, chilled or frozen: —horse —bovine* —swine*	16 20 20
02.02	Dead poultry (i.e., fowls, ducks, geese, turkeys and guinea fowls) and edible offals thereof (except liver) fresh, chilled or frozen	18
ex 02.06	Horsemeat, salted or dried	16
ex 03.01	Freshwater fish, fresh (live or dead), chilled or frozen: —trout and other fish of the salmon family —other	16 10
ex 03.03	Crustaceans and molluscs, whether in shell or not, fresh (live or dead), chilled, frozen, salted, in brine or dried; crustaceans, in shell, simply boiled in water: —crayfish and lobsters —crabs and shrimps —oysters	25 18 18
04.03	Butter	24
ex 04.05	Birds' eggs in shell, fresh or preserved: —from 16/2 to 31/8 —from 1/9 to 15/2	12 15

* Includes only domestic-type animals.

(1)	(2)	(3)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	<i>Common customs tariff (ad valorem rate in %)</i>
04.06	Natural honey	30
ex 05.07	Feathers for bedding and down, unworked	
05.08	Bones and horn-cores, unworked, defatted, simply prepared but not cut to shape, treated with acid or degelatinised; powder and waste of these products	0
ex 06.03	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh:	
	—from 1/6 to 31/10	24
	—from 1/11 to 31/5	20
ex 07.01	Vegetables, fresh or chilled:	
	—onions, shallots, garlic	12
	—new potatoes:	
	—from 1/1 to 15/5	15
	—from 16/5 to 30/6	21
	—others*	
07.04	Dried, dehydrated or evaporated vegetables, whole, cut, sliced, broken or in powder, but not further prepared:	
	—onions	20
	—others	16
ex 07.05	Dried leguminous vegetables, shelled, whether or not skinned or split:	
	—peas and beans	10
ex 08.01	Bananas, fresh	20
08.02	Citrus fruit, fresh or dried:	
	—oranges:	
	—from 15/3 to 30/9	15
	—outside this period	20
	—tangerines (mandarines) and clementines	20
	—lemons	8
	—grapefruit	12
	—others	16

* The rate fixed in principle at the level of the arithmetical average. Possible future adjustments may be made by fixing seasonal rates within the framework of the agricultural policy of the Community.

(1)	(2)	(3) Common customs tariff (ad valorem rate in %)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	
ex 08.04	Grapes, fresh: —from 1/11 to 14/7 —from 15/7 to 31/10	18 22
08.06	Apples, pears and quinces, fresh*	
08.07	Stone-fruit, fresh: —apricots —others*	25
ex 08.12	Prunes, dried	18
ex 09.01	Raw coffee	16
10.01		
to 10.07	Cereals†	
ex 11.01	Wheat flour†	
12.01	Oil seeds and oleaginous fruit, whole or broken	0
ex 12.03	Seeds of a kind used for sowing (other than beet- seed)	10
12.06	Hop cones and lupulin	12
15.15	Beeswax and other insect waxes, whether or not coloured: —natural —others	0 10

* The rate is fixed in principle at the level of the arithmetical average. Possible future adjustments may be made by fixing seasonal rates within the framework of the agricultural policy of the Community.

† (a) The duties on cereals and wheat flour under the common customs tariff shall be equal to the arithmetical average of the duties in force.

(b) Until a decision has been taken as to the regime to be applied under the measures provided for in Article 40 (2) Member States may, by derogation from the provisions of Article 23, suspend the collection of duties on these products.

(c) Should the production or processing of cereals or wheat flour in any Member State be seriously threatened or prejudiced by the suspension of duties in another Member State, the Member States concerned shall enter into negotiations with each other. Should such negotiations produce no result, the Commission may authorise the State suffering damage to take appropriate measures, the means of giving effect to which shall be determined by the Commission, to the extent to which the difference in the cost price is not compensated for by the existence of an organisation of the internal cereals market in the Member State suspending the duties.

(1)	(2)	(3)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	<i>Common customs tariff (ad valorem rate in %)</i>
15.16	Vegetable waxes, whether or not coloured —natural —others	0 8
ex 16.04	Prepared or preserved fish: —of the salmon family	20
ex 16.05	Crustaceans, prepared or preserved	20
17.01	Beet sugar and cane sugar, solid	80
18.01	Cocoa beans, whole or broken, raw or roasted	9
18.02	Cocoa shells, husks, skins and waste	9
19.02	Preparations of flour, starch or malt extract, of a kind used as infant food or for dietetic or culinary purposes, containing less than 50 per cent. by weight of cocoa	25
ex 20.02	Sauerkraut	20
21.07	Food preparations not elsewhere specified or included	25
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol	40
23.01	Flours and meals, unfit for human consumption: —of meat and offals: greaves —of fish, crustaceans or molluscs	4 5
24.01	Unmanufactured tobacco; tobacco refuse	30
ex 25.07	Kaolin, Sillimanite	0
ex 25.15	Marble, not further worked than roughly split or roughly squared, including marble squared by sawing, of a thickness exceeding 25 cm.	0
ex 25.16	Granite, porphyry, basalt, sandstone and other monumental and building stone, not further worked than roughly split or roughly squared, including such stone squared by sawing, of a thickness exceeding 25 cm.	0
25.19	Natural magnesium carbonate (magnesite), whether or not calcined, other than magnesium oxide	0

(1)	(2)	(3) Common customs tariff (ad valorem rate in %)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	
ex 25.27	Talc put up in packings of a net weight not exceeding one kilogramme	8
ex 27.07	Phenols, cresols and xylenols, crude	3
27.09	Petroleum and shale oils, crude	0
ex 27.14	Petroleum coke	0
28.03	Carbon, including carbon black, anthracene black, acetylene black and lamp black	5
ex 28.04	Phosphorus Selenium	15 0
28.23	Iron oxides and hydroxides, including earth colours containing 70 per cent. or more by weight of combined iron evaluated as Fe_2O_3	10
28.25	Titanium oxides	15
ex 28.32	Sodium and potassium chlorates	10
ex 29.01	Aromatic hydrocarbons: —naphthalene	8
ex 29.04	Tertiary butyl alcohol	8
ex 32.07	Titanium white	15
ex 33.01	Essential oils of citrus fruit (terpeneless or not), concretes and absolutes	12
34.04	Artificial waxes (including water-soluble waxes); prepared waxes, not emulsified or containing solvents	12
ex 40.07	Vulcanised rubber thread and cord, whether or not textile covered	15
41.01	Raw hides and skins (fresh, salted, dried, pickled or limed), whether or not split, including sheepskins in the wool	0
ex 41.03	Sheep and lamb skin leather not further dressed after tanning: —of Indian crossbreeds —other	0 6

(1)	(2)	(3)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	<i>Common customs tariff (ad valorem rate in %)</i>
ex 41.04	Goat and kid skin leather, not further dressed after tanning: —of Indian goats —other	0 7
41.08	Patent leather and metallised leather	12
44.14	Veneer sheets and sheets for plywood (sawn, sliced or peeled), of a thickness not exceeding five millimetres, whether or not reinforced with paper or fabric	10
44.15	Plywood, blockboard, laminboard, battenboard and veneered panels, whether or not containing any material other than wood; inlaid wood and wood marquetry	15
53.04	Waste of sheep's or lambs' wool or of other animal hair (fine or coarse), pulled or garnetted (including pulled or garnetted rags)	0
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)	0
54.02	Ramie, raw or processed but not spun; ramie noils and waste (including pulled or garnetted rags)	0
55.01	Cotton, not carded or combed	0
ex 55.02	Cotton linters, raw	0
55.03	Cotton waste (including pulled or garnetted rags), not carded or combed	0
57.01	True hemp (<i>Cannabis sativa</i>), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)	0
57.02	Manila hemp (abaca) (<i>Musa textilis</i>), raw or processed but not spun; tow and waste of manila hemp (including pulled or garnetted rags or ropes)	0
57.03	Jute, raw or processed but not spun; tow and waste of jute (including pulled or garnetted rags or ropes)	0

(1)	(2)	(3) <i>Common customs tariff</i> (ad valorem rate in %)
<i>No. in the Brussels Nomenclature</i>	<i>Description of products</i>	
74.01	Copper matte; unwrought copper (refined or not); copper waste and scrap	0
74.02	Master alloys	0
75.01	Nickel mattes, nickel speiss and other intermediate products of nickel metallurgy; unwrought nickel (excluding electro-plating anodes); nickel waste and scrap	0
80.01	Unwrought tin; tin waste and scrap	0
ex 85.08	Sparking plugs	18

LIST G

List of tariff headings in respect of which duties under the common customs tariff are to be negotiated between Member States

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
ex 03.01	Sea fish, fresh (live or dead), chilled or frozen
03.02	Fish, salted, in brine, dried or smoked
04.04	Cheese and curd
11.02	Cereal groats and cereal meal; other worked cereal grains (for example, rolled, flaked, polished, pearled or kibbled, but not further prepared), except husked, glazed, polished or broken rice; germ of cereals, whole, rolled, flaked or ground
11.07	Malt, roasted or not
ex 15.01	Lard and other rendered pig fat
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including "premier jus"), produced from those fats
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
ex 15.04	Whale oil, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
18.03	Cocoa paste (in bulk or in block), whether or not defatted
18.04	Cocoa butter (fat or oil)
18.05	Cocoa powder, unsweetened
18.06	Chocolate and other food preparations containing cocoa
19.07	Bread, ships' biscuits, and other ordinary bakers' wares, not containing sugar, honey, eggs, fats, cheese or fruit
19.08	Pastry, biscuits, cakes and other fine bakers' wares, whether or not containing cocoa in any proportion
21.02	Extracts, essences or concentrates of coffee, tea or maté; preparations with a basis of those extracts, essences or concentrates

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
22.08	Ethyl alcohol or neutral spirits, undenatured, of a strength of eighty degrees or higher; denatured spirits (including ethyl alcohol and neutral spirits) of any strength
22.09	Spirits (other than those of heading No. 22.06); liqueurs and other spirituous beverages; compound alcoholic preparations (known as "concentrated extracts") for the manufacture of beverages
25.01	Common salt (including rock salt, sea salt and table salt); pure sodium chloride; salt liquors; sea water
25.03	Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur
25.30	Crude natural borates and concentrates thereof (calcined or not), but not including borates separated from natural brine; crude natural boric acid containing not more than eighty-five per cent. of H_2BO_3 calculated on the dry weight
ex 26.01	Lead ores and zinc ores
ex 26.03	Ash and residues, containing zinc
27.10	Petroleum and shale oils, other than crude; preparations not elsewhere specified or included, containing not less than 70 per cent. by weight of petroleum or shale oils, these oils being the basic constituents of the preparations
27.11	Petroleum gases and other gaseous hydrocarbons
27.12	Petroleum jelly
ex 27.13	Paraffin wax, micro-crystalline wax, slack wax and other mineral wax, whether or not coloured
ex 28.01	Crude iodine and bromine
28.02	Sulphur, sublimed or precipitated; colloidal sulphur
ex 28.11	Arsenic pentoxide
28.12	Boric oxide and boric acid
28.33	Bromides, oxybromides, bromates and perbromates, and hypobromites
ex 28.34	Iodides and iodates
28.46	Borates and perborates

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
ex 29.04	Butyl and isobutyl alcohols (other than tertiary butyl alcohol)
ex 29.06	Phenol, cresols and xlenols
ex 32.01	Extracts of quebracho and extracts of wattle (mimosa)
40.02	Synthetic rubbers, including synthetic latex, whether or not stabilised; factice derived from oils
44.03	Wood in the rough, whether or not stripped of its bark or merely roughed down
44.04	Wood, roughly squared or half-squared, but not further manufactured
44.05	Wood, sawn lengthwise, sliced or peeled, but not further prepared, of a thickness exceeding five millimetres
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork
45.02	Natural cork in blocks, plates, sheets or strips (including cubes or square slabs, cut to size for corks or stoppers)
47.01	Pulp derived by mechanical or chemical means from any fibrous vegetable material
50.02	Raw silk (not thrown)
50.03	Silk waste (including cocoons unsuitable for reeling, silk noils and pulled or garnetted rags)
50.04	Silk yarn, other than yarn of noil or other waste silk, not put up for retail sale
50.05	Yarn spun from silk waste other than noil, not put up for retail sale
ex 62.03	Sacks and bags, of a kind used for the packing of goods, of woven fabrics of jute, used
ex 70.19	Glass beads, imitation pearls; imitation precious and semi-precious stones and imitation synthetic stones and similar fancy or decorative glass smallwares and articles of glassware made therefrom
ex 73.02	Ferro-alloys (other than carburated ferro-manganese)
76.01	Unwrought aluminium; aluminium waste and scrap*

* The duties applied to semi-finished products must be reconsidered in the light of the duty fixed for the unwrought metal, in accordance with the procedure laid down in Article 21 (2) of this Treaty.

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
77.01	Unwrought magnesium; magnesium waste (excluding shavings of uniform size) and scrap*
78.01	Unwrought lead (including argentiferous lead); lead waste and scrap*
79.01	Zinc spelter; unwrought zinc; zinc waste and scrap*
ex 81.01	Tungsten (wolfram) unwrought, in powder*
ex 81.02	Molybdenum, unwrought*
ex 81.03	Tantalum, unwrought*
ex 81.04	Other metals, unwrought*
ex 84.06	Engines for motor vehicles, flying machines and ships, boats and other vessels, and parts of such engines
ex 84.08	Jet propulsion mechanisms, and parts and accessories thereof
84.45	Machine tools for working metal or metallic carbides, not being machines falling within heading No. 84.49 or 84.50
84.48	Accessories and parts suitable for use solely or principally with the machines falling within headings Nos. 84.45 to 84.47, including work and tool holders, self-opening dieheads, dividing heads and other appliances for machine tools; tool holders for the mechanical hand tools of heading Nos. 82.04, 84.49 or 85.05
ex 84.63	Transmission equipment for engines of motor vehicles
87.06	Parts and accessories of the motor vehicles falling within heading Nos. 87.01, 87.02 or 87.03
88.02	Flying machines, gliders and kites; parachutes
ex 88.03	Parts of flying machines, gliders and kites

* The duties applied to semi-finished products must be reconsidered in the light of the duty fixed for the unwrought metal, in accordance with the procedure laid down in Article 21 (2) of this Treaty.

ANNEX II

LIST

referred to in Article 38 of this Treaty

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 1	<i>Live animals</i>
CHAPTER 2	<i>Meat and edible meat offals</i>
CHAPTER 3	<i>Fish, crustaceans and molluscs</i>
CHAPTER 4	<i>Dairy produce; birds' eggs; natural honey</i>
CHAPTER 5	
05.04	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof
05.15	Animal products not elsewhere specified or included; dead animals of Chapter 1 or Chapter 3, unfit for human consumption
CHAPTER 6	<i>Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage</i>
CHAPTER 7	<i>Edible vegetables and certain roots and tubers</i>
CHAPTER 8	<i>Edible fruit and nuts; peel of melons or citrus fruit</i>
CHAPTER 9	<i>Coffee, tea and spices, excluding maté (heading No. 09.03)</i>
CHAPTER 10	<i>Cereals</i>
CHAPTER 11	<i>Products of the milling industry; malt and starches; gluten; inulin</i>
CHAPTER 12	<i>Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder</i>
CHAPTER 13	
ex 13.03	Pectin

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 15	
15.01	Lard and other rendered pig fat; rendered poultry fat
15.02	Unrendered fats of bovine cattle, sheep or goats; tallow (including " <i>premier jus</i> ") produced from those fats
15.03	Lard stearin, oleostearin and tallow stearin; lard oil, oleo-oil and tallow oil, not emulsified or mixed or prepared in any way
15.04	Fats and oils, of fish and marine mammals, whether or not refined
15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified
15.12	Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared
15.13	Margarine, imitation lard and other prepared edible fats
15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes
CHAPTER 16	
<i>Preparations of meat, of fish, of crustaceans or molluscs</i>	
CHAPTER 17	
17.01	Beet sugar and cane sugar, solid
17.02	Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel
17.03	Molasses, whether or not decolourised
CHAPTER 18	
18.01	Cocoa beans, whole or broken, raw or roasted
18.02	Cocoa shells, husks, skins and waste
CHAPTER 20	
<i>Preparations of vegetables, fruit or other parts of plants</i>	
CHAPTER 22	
22.04	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol
22.05	Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol
22.07	Other fermented beverages (for example, cider, perry and mead)

(1) <i>No. in the Brussels Nomenclature</i>	(2) <i>Description of products</i>
CHAPTER 23	<i>Residues and waste from the food industries; prepared animal fodder</i>
CHAPTER 24	
24.01	Unmanufactured tobacco; tobacco refuse
CHAPTER 45	
45.01	Natural cork, unworked, crushed, granulated or ground; waste cork
CHAPTER 54	
54.01	Flax, raw or processed but not spun; flax tow and waste (including pulled or garnetted rags)
CHAPTER 57	
57.01	True hemp (<i>Cannabis sativa</i>), raw or processed but not spun; tow and waste of true hemp (including pulled or garnetted rags or ropes)

ANNEX III

LIST OF INVISIBLE TRANSACTIONS

referred to in Article 106 of this Treaty

- Maritime freights, including chartering, harbour expenses, disbursements for fishing vessels, etc.
- Inland waterway freights, including chartering.
- Road transport: passengers and freights, including chartering.
- Air transport: passengers and freights, including chartering.
Payment by passengers of international air tickets and excess luggage charges; payment of international air freight charges and chartered flights.
Receipts from the sale of international air tickets, excess luggage charges, international air freight charges, and chartered flights.
- For all means of maritime transport: harbour services (bunkering and provisioning, maintenance, repairs, expenses for crews, etc.).
For all means of inland waterway transport: harbour services (bunkering and provisioning, maintenance and minor repairs of equipment, expenses for crews, etc.).
For all means of commercial road transport: fuel, oil, minor repairs, garaging, expenses for drivers and crews, etc.
For all means of air transport: operating costs and general overheads, including repairs to aircraft and to air transport equipment.
- Warehousing and storage charges, customs clearance.
- Customs duties and fees.
- Transit charges.
- Repair and assembly charges.
Processing, finishing, processing of work under contract, and other services of the same nature.
- Repair of ships.
Repair of means of transport other than ships and aircraft.
- Technical assistance (assistance relating to the production and distribution of goods and services at all stages, given over a period limited according to the specific purpose of such assistance, and including, e.g., advice or visits by experts, preparation of plans and blueprints, supervision of manufacture, market research, training of personnel).

—Commission and brokerage.

Profit arising out of transit operations or sales of trans-shipment.

Banking commissions and charges.

Representation expenses.

—Advertising by all media.

—Business travel.

—Participation by subsidiary concerns and branches in overhead expenses of parent concerns situated abroad and vice-versa.

—Contracting (construction and maintenance of buildings, roads, bridges, ports, etc., carried out by specialised firms and, generally, at fixed prices after open tender).

—Differences, margins and deposits due in respect of operations on commodity terminal markets in conformity with normal *bona fide* commercial practice.

—Tourism.

—Travel for private reasons (education).

—Travel for private reasons (health).

—Travel for private reasons (family).

—Subscriptions to newspapers, periodicals, books, musical publications.

Newspapers, periodicals, books, musical publications and records.

—Printed films, commercial, documentary, educational, etc. (rentals, dues, subscriptions, reproduction and synchronisation fees, etc.).

—Membership fees.

—Current maintenance and repair of private property abroad.

—Government expenditure (official representation abroad, contributions to international organisations).

—Taxes, court expenses, registration fees for patents and trade marks.

Claims for damages.

Refunds in the case of cancellation of contracts and refunds of uncalled-for payments.

Fines.

—Periodical settlements in connection with public transport and postal, telegraphic and telephone services.

—Exchange authorisations granted to own or foreign nationals emigrating.

Exchange authorisations granted to foreign nationals returning to their country of origin.

—Salaries and wages (of frontier or seasonal workers and of other non-residents, without prejudice to the right of a country to regulate terms of employment of foreign nationals).

- Emigrants' remittances (without prejudice to the right of a country to regulate immigration).
- Fees and remuneration.
- Dividends and shares in profits.
- Interest on debentures, mortgages, etc.
- Rent.
- Contractual amortisation (with the exception of transfers in connection with amortisation having the character either of anticipated repayments or of the discharge of accumulated arrears).
- Profits from business activity.
- Authors' royalties.
- Patents, designs, trade marks and inventions (the assignment and licensing of patent rights, designs, trade marks and inventions, whether or not legally protected, and transfers arising out of such assignment or licensing).
- Consular receipts.
- Pensions and other income of a similar nature.
- Maintenance payments resulting from a legal obligation or from a decision of a Court and financial assistance in cases of hardship.
- Transfers by instalments of assets deposited in one Member country by persons residing in another Member country whose personal income in that country is not sufficient to cover their living expenses.
- Transactions and transfers in connection with direct insurance.
- Transactions and transfers in connection with reinsurance and retrocession.
- Opening and reimbursement of commercial or industrial credits.
- Transfer of minor amounts abroad.
- Charges for documentation of all kinds incurred on their own account by authorised dealers in foreign exchange.
- Sports prizes and racing earnings.
- Inheritances.
- Dowries.

ANNEX IV

OVERSEAS COUNTRIES AND TERRITORIES

to which the provisions of Part Four of this Treaty apply

French West Africa including: Senegal, the Sudan, Guinea, the Ivory Coast, Dahomey, Mauretania, the Niger and the Upper Volta;

French Equatorial Africa including: the Middle Congo, Ubangi-Shari, Chad and Gaboon;

St. Pierre and Miquelon, the Comoro Archipelago, Madagascar and dependencies, the French Somali Coast, New Caledonia and dependencies, the French Settlements in Oceania, the Southern and Antarctic Territories;

The Autonomous Republic of Togoland;

The French Trusteeship Territory in the Cameroons;

The Belgian Congo and Ruanda-Urundi;

The Trusteeship Territory of Somalia under Italian administration;

Netherlands New Guinea.

II

PROTOCOLS AND CONVENTIONS

PROTOCOL CONCERNING THE STATUTE OF THE EUROPEAN INVESTMENT BANK

THE HIGH CONTRACTING PARTIES

BEING DESIROUS of determining the Statute of the European Investment Bank, as provided for in Article 129 of this Treaty,

HAVE AGREED on the following provisions which shall be annexed to this Treaty:

ARTICLE 1

The European Investment Bank established by Article 129 of this Treaty and hereinafter referred to as "the Bank" shall be constituted and carry out its functions and activities in conformity with the provisions of this Treaty and of this Statute.

The location of the Bank's Headquarters shall be determined by common agreement between the Governments of Member States.

ARTICLE 2

The Bank's task shall be as defined in Article 130 of this Treaty.

ARTICLE 3

In accordance with Article 129 of this Treaty, the following shall be members of the Bank:

- the Kingdom of Belgium
- the French Republic
- the Federal Republic of Germany
- the Italian Republic
- the Grand Duchy of Luxembourg
- the Kingdom of the Netherlands

ARTICLE 4

The Bank's capital shall consist of one thousand million units of account to be subscribed by Member States as follows:

France	..	..	..	..	300 millions
Germany	..	..	..	..	300 millions
Italy	..	..	..	..	240 millions
Belgium	..	..	..	..	86.5 millions
Netherlands	..	..	..	..	71.5 millions
Luxembourg	..	..	..	..	2 million

The value of one unit of account shall be 0.88867088 grams of fine gold.

Member States shall be liable only up to the amount of their share of the capital subscribed and not paid up.

2. The admission of a new member shall entail an increase in the subscribed capital corresponding to the additional capital provided by the new member.

3. The Board of Governors may, by a unanimous decision, decide to increase the subscribed capital.

4. The share of the subscribed capital may not be ceded or mortgaged and may not be attached.

ARTICLE 5

1. Member States shall subscribe 25 per cent. of the capital stated, by means of five equal payments to be made not later than two months, nine months, sixteen months, twenty-three months and thirty months respectively after this Treaty comes into force.

Each payment shall be made as to one-quarter in gold or freely convertible currency and as to three-quarters in national currency.

2. The Board of Directors may require that the remaining 75 per cent. of the subscribed capital be paid up, in so far as this may be necessary for the Bank to meet its obligations towards those who have made loans to it.

Each Member State shall make a payment proportionate to its share of the subscribed capital in the currencies required by the Bank to meet these obligations.

ARTICLE 6

1. The Board of Governors may, by qualified majority vote on a proposal of the Board of Directors, decide that Member States shall make to the Bank special, interest-bearing loans if and in so far as the Bank requires such loans to finance specific projects, provided that the Board of Directors shows that the Bank is unable to obtain the necessary funds on the capital markets on suitable terms, taking into account the nature and object of the projects to be financed.

2. Special loans may not be called for before the beginning of the fourth year from this Treaty's coming into force. They shall not exceed a total aggregate of 400 million units of account nor 100 million units of account per annum.

3. The duration of special loans shall be fixed in accordance with the duration of the credits or guarantees which the Bank proposes to make by means of such special loans; it shall not exceed a period of twenty years. The Board of Governors may, by qualified majority vote on a proposal of the Board of Directors, decide upon the accelerated repayment of such special loans.

4. Special loans shall bear interest at the rate of 4 per cent. per annum, unless the Board of Governors, taking into account the trend and level of rates of interest on the capital markets, decide to fix a different rate.

5. Special loans shall be made by Member States in accordance with the scale of their subscription to the capital; they shall be paid in national currency within a period of six months after having been called for.

6. Should the Bank go into liquidation the special loans made by Member States shall only be repaid after the Bank's other debts have been settled.

ARTICLE 7

1. Should the parity of a Member State's currency fall in relation to the unit of account defined in Article 4 that State's share of the capital subscribed in its national currency shall be adjusted in proportion to the change in parity, by means of a complementary payment to the Bank by the State concerned. Provided always that the aggregate amount subject to adjustment shall not exceed the total amount of the loans made by the Bank in the currency concerned and the Bank's holdings in that currency. The complementary payment shall be made within two months or, in so far as it may correspond with loans, on the dates on which these loans fall due.

2. Should the parity of a Member State's currency increase in relation to the unit of account defined in Article 4 that State's share of the capital subscribed by it in its national currency shall be adjusted in proportion to the change in parity, by means of a repayment to that State by the Bank. Provided always that the amount subject to adjustment shall not exceed the total amount of loans made by the Bank in the currency concerned and the Bank's holdings in that currency. The repayments shall be made within a period of two months or, in so far as it may correspond with loans, on the dates on which they fall due.

3. The parity of a Member State's currency in relation to the unit of account defined in Article 4 shall be the relation between the weight of fine gold contained in the unit of account and the weight of fine gold corresponding to the parity of such currency as declared to the International Monetary Fund. Failing this, the parity shall be based upon the rate of exchange, in relation to a currency quoted in or convertible into gold, which the Member State utilises for current payments.

4. The Board of Governors may decide that the rules laid down in paragraphs 1 and 2 of this Article shall not be applied in the event of a uniformly proportionate adjustment in the parity of all the currencies of the countries which are members of the International Monetary Fund or members of the Bank.

ARTICLE 8

The Bank shall be administered by a Board of Governors, a Board of Directors and a Management Committee.

ARTICLE 9

1. The Board of Governors shall consist of Ministers appointed by Member States.

2. The Board of Governors shall lay down general directives for the credit policy of the Bank, particularly as regards the objectives to be pursued as progress is made towards achieving the Common Market.

The Board of Governors shall ensure that these directives are carried out.

3. The Board of Governors shall in addition:

- (a) decide whether to increase the subscribed capital in accordance with Article 4 (3);
- (b) exercise the powers provided for in Article 6 in respect of special loans;
- (c) exercise the powers provided for in Articles 11 and 13 in respect of the appointment and the compulsory retirement of members of the Board of Directors and of the Management Committee;
- (d) authorise the exception provided for in Article 18, 1;
- (e) approve the annual report made by the Board of Directors;
- (f) approve the annual balance sheet and the profit and loss account;
- (g) exercise the powers and responsibilities provided for in Articles 7, 14, 17, 26 and 27;
- (h) approve the rules of procedure of the Bank.

4. The Board of Governors shall be competent, by a unanimous decision, to take all decisions, within the framework of this Treaty and the Statute, in respect of the suspension of the Bank's activities and in the event of its liquidation.

ARTICLE 10

Except where otherwise provided for in this Statute, the decisions of the Board of Governors shall be taken by a majority of its members. Voting by the Board of Governors shall be governed by the provisions of Article 148 of this Treaty.

ARTICLE 11

1. The Board of Directors shall have exclusive authority to take decisions in respect of the granting of credits and guarantees and the raising of loans; it shall fix the rates of interest for loans and of commissions for guarantees; it shall ensure that the Bank is efficiently administered; it shall ensure that the Bank is managed in conformity with the provisions of this Treaty and of the Statutes and in accordance with the general directives laid down by the Board of Governors.

At the end of the financial year the Board of Directors shall submit a report to the Board of Governors and shall publish it after approval.

2. The Board of Directors shall be composed of twelve directors and twelve alternates.

The directors shall be appointed by the Board of Governors for a term of five years upon their nomination by Member States and the Commission respectively, as follows:

2 directors shall be nominated by mutual agreement between the Benelux countries.

3 directors shall be nominated by the French Republic

3 directors shall be nominated by the Federal Republic of Germany.

3 directors shall be nominated by the Italian Republic.

1 director shall be nominated by the Commission.

Their term of office shall be renewable.

Each director shall be assisted by an alternate appointed under the same conditions and according to the same procedure as the Directors.

The alternates may take part in the meetings of the Board of Directors; they shall not have the right to vote, unless they are representing a director who is unable to attend.

The Chairman or, in his absence, one of the Vice-Chairmen of the Management Committee shall preside over the meetings of the Board of Directors but shall not vote.

The members of the Board of Directors shall be chosen from persons whose independence and competence can be fully guaranteed; they shall be responsible only to the Bank.

3. A director may only be compulsorily retired if he no longer meets the conditions requisite for the exercise of his duties; in that event the Board of Governors may, by a qualified majority vote, compulsorily retire him.

The non-approval of the annual report shall entail the resignation of the Board of Directors.

4. In the event of any vacancy arising as a result of death or of individual or collective resignation or of compulsory retirement, the vacancy shall be filled in accordance with the rules laid down in paragraph 2 of this Article. Except in the case of a general replacement of the Board of Directors, members shall be replaced for the remainder of their term of office.

5. The Board of Governors shall fix the remuneration of the members of the Board of Directors. The Board of Governors shall by unanimous vote lay down what activities are incompatible with the duties of a director or an alternate.

ARTICLE 12

1. Each director shall have one vote on the Board of Directors.

2. Except where otherwise provided for in this Statute, the Board of Directors shall take its decisions by simple majority of the members entitled to vote. A qualified majority shall require eight votes. The rules of procedure of the Bank shall fix the necessary quorum for the deliberations of the Board of Directors.

ARTICLE 13

1. The Management Committee shall be composed of a Chairman and two Vice-Chairmen appointed for a term of six years by the Board of Governors on the proposal of the Board of Directors. Their term of office shall be renewable.

2. The Board of Governors may by qualified majority vote on a proposal of the Board of Directors, acting also by qualified majority vote, compulsorily retire members of the Management Committee.

3. The Management Committee shall be responsible for the management of the current affairs of the Bank, under the authority of the Chairman and under the supervision of the Board of Directors.

It shall prepare the decisions of the Board of Directors, in particular in respect of the raising of loans and the granting of credits and guarantees; it shall be responsible for the implementation of these decisions.

4. The Management Committee shall, by a majority, formulate opinions as regards projects for the granting of credits and guarantees and for the raising of loans.

5. The Board of Governors shall fix the remuneration of the members of the Management Committee and shall lay down what activities are not compatible with their duties.

6. The Chairman or, if he is unable to carry out his duties, one of the Vice-Chairmen, shall represent the Bank in legal or extra-legal matters.

7. The officials and other employees of the Bank shall be under the authority of the Chairman. They shall be engaged and dismissed by him. In the choice of staff, not only shall personal ability and qualifications be taken into account but also an equitable representation of the nationals of Member States.

8. The Management Committee and the staff of the Bank shall be responsible only to the Bank and shall carry out their duties in an entirely independent manner.

ARTICLE 14

1. A Committee composed of three members, appointed on the grounds of their competence by the Board of Governors, shall annually verify that the operations of the Bank are properly conducted and the books properly kept.

2. The Committee shall confirm that the balance sheet and the profit and loss account correspond with the Bank's accounts and faithfully reflect the Bank's position in respect of assets and liabilities.

ARTICLE 15

The Bank shall communicate with each Member State through the channel of the authority appointed by the State concerned. In the conduct of financial operations the Bank shall have recourse to the central bank of the Member State concerned or to other financial institutions approved by the latter.

ARTICLE 16

1. The Bank shall co-operate with all international organisations active in similar fields to its own.

2. The Bank shall seek all appropriate contacts with a view to co-operation with the banking and financial institutions of the countries where it operates.

ARTICLE 17

At the request of a Member State or of the Commission or on its own authority the Board of Governors shall interpret or supplement, subject to the conditions governing their original adoption, the directives laid down by the Board in accordance with Article 9 of this Statute.

ARTICLE 18

1. The Bank shall, within the framework of the task defined in Article 130 of this Treaty, grant credits to its members or to private or public undertakings

for investment projects to be carried out in the European territories of Member States, in so far as means are not available from other sources on reasonable terms.

Provided always that if so authorised by way of exception, by a unanimous decision of the Board of Governors, on a proposal of the Board of Directors, the Bank may grant credits for investment projects to be carried out wholly or partly outside the European territories of Member States.

2. So far as possible the granting of loans shall be made conditional upon the utilisation of other sources of finance.

3. The Bank shall, when approving a loan to an undertaking or body other than a Member State, make the granting of such a loan conditional upon a guarantee from the Member State, in the territory of which the project is to be carried out, or upon other adequate guarantees.

4. The Bank may guarantee loans contracted by public or private concerns or other bodies for carrying out the projects provided for in Article 130 of this Treaty.

5. The total outstanding of loans and guarantees granted by the Bank at any one time shall not exceed 250 per cent. of the subscribed capital.

6. The Bank shall protect itself against rate of exchange risks by including in contracts for loans and guarantees such clauses as it considers appropriate.

ARTICLE 19

1. The rates of interest on loans to be approved by the Bank and the rates of commission on guarantees shall be adapted to the conditions prevailing in the capital market and shall be calculated so that the revenue resulting therefrom shall enable the Bank to meet its liabilities, cover its expenses and build up a reserve fund in accordance with Article 24.

2. The Bank shall not authorise any reduction in rates of interest. Where a reduction in the rate of interest appears desirable, taking into account the particular nature of the project to be financed, the Member State concerned or a third party may authorise a rebate on the interest in so far as the grant of rebate is compatible with the rules laid down in Article 92 of this Treaty.

ARTICLE 20

In its operations relating to loans and guarantees, the Bank shall observe the following principles:

1. It shall see to it that its funds are utilised in the most rational manner in the interests of the Community. It may only authorise the granting of loans or issue guarantees where:

- (a) interest and amortisation payments are assured by earnings in the case of projects carried out by concerns in the field of production, or, in other cases, by an engagement undertaken by the State in which the project is carried out or by some other means;
- (b) the fulfilment of the projects contributes to the increase of economic productivity in general and promotes the achievement of the Common Market.

2. It shall neither acquire any interest in undertakings nor undertake any responsibility in their management, unless this is necessary for the protection of the Bank's rights in order that it may recover the funds lent by it.

3. It may dispose of its claims on the capital market and may require its debtors to issue bonds or other securities for this purpose.

4. Neither the Bank nor the Member States shall impose conditions under which the sums lent by the Bank must only be spent within the territory of a specified Member State.

5. The Bank may make the granting of loans conditional upon the call for tenders being international in scope.

6. The Bank shall not finance either wholly or partly any project opposed by the Member State in the territory of which it is to be carried out.

ARTICLE 21

1. Applications for loans or guarantees may be addressed to the Bank either through the Commission or through the Member State in the territory of which the project is to be carried out. An undertaking may also apply directly to the Bank for a loan or a guarantee.

2. Applications made through the Commission shall be submitted for an opinion to the Member State in the territory of which the project is to be carried out. Applications made through a Member State shall be submitted to the Commission for an opinion. Applications made direct by an undertaking shall be submitted to the Member State concerned and to the Commission.

The Member States concerned and the Commission shall give their opinions within a period of not more than two months. Failing a reply within this period the Bank may assume that the project concerned does not give rise to any objections.

3. The Board of Directors shall decide upon applications for loans or guarantees which are submitted to it by the Management Committee.

4. The Management Committee shall examine whether applications submitted to it for loans or guarantees conform to the provisions of this Statute, in particular Article 20. If the Management Committee expresses itself in favour of granting the loan or guarantee, it shall submit the draft contract to the Board of Directors; the Committee may make its favourable opinion subject to such conditions as it considers essential. If the Committee expresses itself against the granting of the loan or guarantee, it shall submit to the Board of Directors the relevant documents together with its opinion.

5. Where the Management Committee expresses an unfavourable opinion, the Board of Directors may only authorise the loan or guarantee concerned by a unanimous decision.

6. Where the Commission expresses an unfavourable opinion, the Board of Directors may only authorise the loan or guarantee in question by a unanimous decision; the director nominated by the Commission shall abstain from voting in these circumstances.

7. Where both the Management Committee and the Commission express an unfavourable opinion, the Board of Directors may not authorise the loan or guarantee in question.

ARTICLE 22

1. The Bank shall borrow on the international capital markets the funds necessary for the accomplishment of its tasks.

2. The Bank may borrow on the capital market of a Member State, either in accordance with the legal provisions applying to internal issues or, if there are no such provisions in a Member State, after the Member State concerned and the Bank have consulted each other and have agreed upon the loan envisaged by the latter.

The competent authorities in the Member State may only refuse their agreement if there is reason to fear serious disturbances in the capital market of that State.

ARTICLE 23

1. The Bank may employ, in the following ways, any funds which it does not immediately require to meet its obligations:

- (a) it may make investments in the money markets;
- (b) it may, subject to the provisions of Article 20 (2), buy and sell securities issued by itself or those who have borrowed from it;
- (c) it may carry out any other financial operations connected with its objectives.

2. Without prejudice to the provisions of Article 25, the Bank shall not, in the management of its investments, engage in any simultaneous exchange transactions on different exchange markets (*arbitrage*) not directly necessitated by carrying out its undertakings to lend or by meeting the obligations arising out of borrowings made or guarantees granted by it.

3. The Bank shall, in the sphere referred to in this Article, act in agreement with the competent authorities of Member States or with their respective central banks.

ARTICLE 24

1. A reserve fund, amounting to 10 per cent. of the subscribed capital, shall be progressively built up. If the state of the Bank's liabilities should so justify, the Board of Directors may decide upon the formation of additional reserves. Until such time as the reserve fund has been entirely built up, it shall be fed by:

- (a) the interest on loans granted by the Bank out of the sums to be paid up by Member States under Article 5;
- (b) the interest on loans granted by the Bank from funds derived from repayments of the loans referred to in (a) above,

in so far as this revenue is not required to meet the Bank's liabilities or cover its expenses.

2. The resources of the reserve fund shall be so invested as to be available at any time to meet the purpose of the fund.

ARTICLE 25

1. The Bank shall be authorised at all times to transfer its holdings in the currency of one of the Member States into the currency of another Member State in order to carry out financial operations in accordance with its task as defined in Article 130 of this Treaty, taking into account the provisions of Article 23 of this Statute. The Bank shall so far as possible avoid making such transfers if it possesses holdings directly available or which it can make available in the currency required.

2. The Bank may not convert its holdings in the currency of one of the Member States into the currency of a third country without the agreement of the Member State concerned.

3. The Bank may freely make use both of that part of its capital which is paid up in gold or convertible currencies and of foreign currencies borrowed on markets outside the Community.

4. Member States undertake to make available to the Bank's debtors the foreign currency necessary for the repayment of capital and interest on loans granted or guaranteed by the Bank for projects to be carried out in their territory.

ARTICLE 26

If a Member State fails to fulfil the obligations of membership resulting from this Statute, and in particular the obligation to pay up its share of the subscribed capital or its special loans or to ensure the servicing of the funds it has borrowed, the granting of loans or guarantees to that Member State or its nationals may be suspended by a decision of the Board of Governors by qualified majority vote.

This decision shall not absolve either the State or its nationals from their obligations towards the Bank.

ARTICLE 27

1. If the Board of Governors decides to suspend the activities of the Bank, its activities shall cease immediately, with the exception of operations necessary to ensure the due utilisation, protection and conservation of its assets and the settlement of its liabilities.

2. In the event of liquidation, the Board of Governors shall appoint the liquidators and give them instructions for carrying out the liquidation.

ARTICLE 28

1. The Bank shall in each of the Member States enjoy the most extensive capacity afforded to legal persons under their respective domestic law; it may in particular acquire and transfer movable and immovable property and may sue and be sued in its own name.

The privileges and immunities to be granted to the Bank shall be determined by the Protocol provided for in Article 218 of this Treaty.

2. The assets of the Bank shall be immune from requisitioning or expropriation in any form whatsoever.

ARTICLE 29

Disputes between the Bank on the one hand, and those who have lent funds to it or borrowed from it or third parties on the other hand, shall, subject to the jurisdiction conferred upon the Court of Justice, be decided by the competent national courts.

The Bank shall give an address for service (*élire domicile*) in each of the Member States. Provided always that it may in a contract specify a particular address for service or provide for arbitration.

The assets and property of the Bank shall not be liable to seizure or subjected to compulsory execution of judgments except by decision of the courts.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

PROTOCOL CONCERNING INTERNAL GERMAN TRADE AND CONNECTED PROBLEMS

THE HIGH CONTRACTING PARTIES

CONSIDERING the conditions at present existing by reason of the division of Germany,

HAVE AGREED upon the following provisions which shall be annexed to the Treaty:

1. Since trade between the German territories subject to the Basic Law of the Federal Republic of Germany and the German territories in which the Basic Law does not apply is a part of German internal trade, the application of this Treaty in Germany requires no modification of the existing treatment of this trade.

2. Each Member State shall inform the other Member States and the Commission of any agreements affecting trade with the German territories in which the Basic Law of the Federal Republic of Germany does not apply, and of the provisions made for their implementation. Each Member State shall ensure that such implementation does not conflict with the principles of the Common Market and shall in particular take appropriate measures to avoid injury to the economies of the other Member States.

3. Each Member State may take appropriate measures to prevent any difficulties arising for it from trade between another Member State and the German territories in which the Basic Law of the Federal Republic of Germany does not apply.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

PROTOCOL CONCERNING CERTAIN PROVISIONS AFFECTING FRANCE

THE HIGH CONTRACTING PARTIES

BEING DESIROUS of settling in conformity with the general aims of this Treaty certain particular problems existing at the present time,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty.

I. CHARGES AND AIDS

1. The Commission and the Council shall annually examine the system of aid granted to exports and of special charges on imports in force in the franc area.

The French Government shall, during this examination, make known the measures it proposes to take to reduce and rationalise the levels of the said aids and charges.

It shall also inform the Council and the Commission of any new charges which it intends to impose as a result of any new measures of liberalisation and of any adjustments to the said aids and charges which it intends to make within the limit of the maximum rates for such charges in force on 1 January 1957. These measures may be discussed within the said institutions.

2. If it considers that the lack of uniformity is prejudicial to particular sectors of industry in the other Member States, the Council may, by qualified majority vote on a proposal of the Commission, request the French Government to take certain measures to standardise the said charges and aids in each of the following three categories: raw materials, semi-finished products and finished products. In the event of the French Government not taking such measures, the Council shall, likewise by qualified majority vote, authorise the other Member States to take protective measures, the conditions and details of which it shall determine.

3. In the event of the balance of current payments of the franc area having remained in equilibrium for a period of more than one year and in the event of its monetary reserves having reached a satisfactory level, in particular as regards the volume of its external trade, the Council may, by qualified majority vote on a proposal of the Commission, decide that the French Government shall abolish the system of charges and aids.

In the event of the Commission and the French Government not agreeing as to whether the level of the monetary reserves of the franc area can be regarded as satisfactory, they shall refer the matter for an opinion to a personality or body chosen by mutual agreement as an arbitrator.

In the event of disagreement, this arbitrator shall be appointed by the President of the Court of Justice.

If the abolition of the said system is thus decided upon it shall be carried out in such a manner as to avoid any danger of disturbance to the equilibrium of

the balance of payments; in particular it may be carried out by progressive stages. Once the abolition has taken place, the provisions of the Treaty shall apply in their entirety.

The term "balance of current payments" shall have the meaning given to it by international organisations and by the International Monetary Fund, that is to say balance of trade and invisible transactions having the character of income or supply of services.

II. PAYMENT OF OVERTIME

1. Member States are of the opinion that the establishment of the Common Market will result, by the end of the first stage, in a situation in which the basic number of hours beyond which overtime will be paid and the average rates of additional payments for overtime in industry will correspond with those existing in France according to the average figures for the year 1956.

2. If this situation does not arise by the end of the first stage, the Commission shall authorise France to take protective measures in respect of the sectors of industry affected by inequalities in the method of payments for overtime. The Commission shall determine the terms and conditions of these measures, unless, during this stage, the average increase in wage levels in the same sectors of industry in other Member States, by comparison with the average for the year 1956, exceeds the increase occurring in France by a percentage fixed by the Commission with the approval of the Council by a qualified majority vote.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. CH. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

PROTOCOL CONCERNING ITALY

THE HIGH CONTRACTING PARTIES,

BEING DESIROUS of settling certain specific problems of concern to Italy,
HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

THE MEMBER STATES OF THE COMMUNITY

TAKE NOTE of the fact that the Italian Government is engaged upon the implementation of a ten-year programme of economic expansion with the aim of rectifying the imbalance in the structure of the Italian economy, in particular by the equipment of the less developed areas in the South of Italy and the Italian islands and by the creation of new opportunities for employment in order to eliminate unemployment;

RECALL that the principles and objectives of this programme of the Italian Government have been considered and approved by organisations for international co-operation of which the Member States are members;

RECOGNISE that it is in their common interest that the objectives of the Italian programme should be attained;

AGREE, in order to facilitate the accomplishment of this task by the Italian Government, to recommend to the institutions of the Community that they should employ all the methods and procedures provided for by this Treaty and, in particular, adequately utilise the resources of the European Investment Bank and the European Social Fund;

ARE OF THE OPINION that the institutions of the Community should, in the application of this Treaty, take account of the burden to be borne by the Italian economy in the coming years and of the desirability of avoiding dangerous strain, in particular in the balance of payments or the level of employment, which might jeopardise the application of this Treaty in Italy;

RECOGNISE in particular that in the event of the application of Articles 108 and 109 it will be necessary to take care that any measures required of the Italian Government shall safeguard the fulfilment of its programme for economic expansion and for raising the standard of living of the population.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK
ADENAUER
PINEAU
Antonio SEGNI
BECH
J. LUNS

J. Ch. SNOY et d'OPPUERS
HALLSTEIN
M. FAURE
Gaetano MARTINO
Lambert SCHAUS
J. LINTHORST HOMAN

PROTOCOL CONCERNING THE GRAND DUCHY OF LUXEMBOURG

THE HIGH CONTRACTING PARTIES,

BEING DESIROUS of settling certain specific problems of concern to the Grand Duchy of Luxembourg,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

ARTICLE 1

1. By reason of the particular position of its agriculture the Grand Duchy of Luxembourg shall be authorised to maintain quantitative restrictions on the import of the products included in the list annexed to the Decision of the Contracting Parties to the Geneva Agreement on Tariffs and Trade, dated 3 December 1955, concerning the agriculture of Luxembourg.

Belgium, Luxembourg and the Netherlands, shall apply the system laid down in Article 6, paragraph 3 of the Convention on the Economic Union of Belgium and Luxembourg of 25 July 1921.

2. The Grand Duchy of Luxembourg shall take all measures of a structural, technical or economic character that will make possible the progressive integration of its agriculture in the Common Market. The Commission may make recommendations to the Grand Duchy concerning the measures to be taken.

At the end of the transitional period, the Council shall, by qualified majority vote on a proposal of the Commission, decide to what extent the exceptions allowed in the case of the Grand Duchy of Luxembourg shall be maintained, modified or abolished.

Any Member State concerned may appeal against such decision to an Arbitration Board, appointed in accordance with the provisions of Article 8, paragraph 4 of the Treaty.

ARTICLE 2

When laying down the regulations provided for in Article 48, paragraph 3 of this Treaty in respect of the free movement of labour, the Commission shall take account, as regards the Grand Duchy of Luxembourg, of the special population considerations of that country.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

PROTOCOL CONCERNING GOODS ORIGINATING IN AND COMING FROM CERTAIN COUNTRIES AND ENJOYING SPECIAL TREATMENT UPON IMPORTATION INTO ONE OF THE MEMBER STATES

THE HIGH CONTRACTING PARTIES

BEING DESIROUS of clarifying the applicability of this Treaty to certain goods originating in and coming from certain countries and enjoying special treatment upon importation into one of the Member States,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

1. The application of the Treaty establishing the European Economic Community shall not require any amendment in the customs treatment applicable when this Treaty comes into force to the importation:

- (a) into the Benelux countries, of goods originating in and coming from Surinam or the Netherlands Antilles;
- (b) into France, of goods originating in and coming from Morocco, Tunisia, the Republic of Viet-Nam, Cambodia or Laos. The above provisions shall also apply to the French Settlements in the Condominium of the New Hebrides;
- (c) into Italy, of goods originating in and coming from Libya or the Trusteeship Territory of Somalia currently under Italian administration.

2. Goods imported into a Member State and benefiting from the treatment referred to above may not be considered as being in free circulation in that State within the meaning of Article 10 of this Treaty, when re-exported to another Member State.

3. Before the end of the first year after this Treaty comes into force, Member States shall communicate to the Commission and to the other Member States the provisions concerning the particular treatment described in this Protocol, together with a list of the goods benefiting therefrom.

They shall also inform the Commission and the other Member States of any amendments subsequently made to the said lists or treatment.

4. The Commission shall ensure that the application of the above provisions shall not be prejudicial to other Member States; it may for this purpose make any appropriate provisions as regards relations between Member States.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK
ADENAUER
PINEAU
Antonio SEGNI
BECH
J. LUNS

J. Ch. SNOY et d'OPPUERS
HALLSTEIN
M. FAURE
Gaetano MARTINO
Lambert SCHAUS
J. LINTHORST HOMAN

**PROTOCOL CONCERNING THE TREATMENT TO BE APPLIED TO
PRODUCTS FALLING WITHIN THE COMPETENCE OF THE EURO-
PEAN COAL AND STEEL COMMUNITY IN RESPECT OF ALGERIA
AND THE OVERSEAS DEPARTMENTS OF THE FRENCH REPUBLIC**

THE HIGH CONTRACTING PARTIES

BEING CONSCIOUS of the fact that the provisions of this Treaty relating to Algeria and the Overseas Departments of the French Republic raise the problem of the treatment to be applied, in respect of Algeria and the said departments, to products which are the subject of the Treaty establishing the European Coal and Steel Community.

BEING DESIROUS of seeking an appropriate solution in harmony with the principles of the two Treaties.

UNDERTAKE to settle this problem in a spirit of mutual collaboration within the shortest possible time and not later than the first revision of the Treaty establishing the European Coal and Steel Community.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

PROTOCOL CONCERNING MINERAL OILS AND CERTAIN OF THEIR DERIVATIVES

THE HIGH CONTRACTING PARTIES

HAVE AGREED upon the following provisions, which shall be annexed to this Treaty:

1. Each Member State may, for a period of six years after this Treaty comes into force, maintain in regard to other Member States and third countries the customs duties and charges with equivalent effect applied to products under headings Nos. 27.09, 27.10, 27.11, 27.12 and ex 27.13 (paraffin, waxes of petroleum and shale oils and paraffin residues) of the Brussels Nomenclature on 1 January 1957, or when this Treaty comes into force, if then lower. Provided always that the duty to be maintained on crude oils shall not be such as to result in an increase of more than 5 per cent. in the difference existing on 1 January 1957 between the duties applicable to the crude oils and those applicable to the derivatives referred to above. Where no such difference exists, any difference subsequently established shall not exceed 5 per cent. of the duty applied to products listed under heading No. 27.09 on 1 January 1957. If, before the expiry of the said period of six years, a reduction is made in the customs duties or charges with equivalent effect in respect of products listed under heading No. 27.09, any customs duties and charges with equivalent effect imposed on the other products referred to above shall be subjected to a corresponding reduction.

At the end of this period, the duties maintained under the conditions provided for in the preceding sub-paragraph shall be completely abolished in respect of other Member States. At the same date, the common customs tariff shall be applied in respect of third countries.

2. Any aids to the production of mineral oils under heading No. 27.09 of the Brussels Nomenclature shall, in so far as such aids appear necessary in order to bring the price of the crude oils down to that of the world market c.i.f. European port of a Member State, come within the terms of Article 92 (3) (c) of this Treaty. The Commission shall, during the first two stages, make use of the powers provided under Article 93 only in so far as they are required to prevent such aids being improperly used.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

PROTOCOL CONCERNING THE APPLICATION OF THE TREATY
ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY TO THE
NON-EUROPEAN PARTS OF THE KINGDOM OF THE NETHERLANDS

THE HIGH CONTRACTING PARTIES,

BEING DESIROUS, at the time of signing the Treaty establishing between themselves the European Economic Community, to define the scope of the provisions of Article 227 of this Treaty in respect of the Kingdom of the Netherlands.

HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

The Government of the Kingdom of the Netherlands, by reason of the constitutional structure of the Kingdom resulting from the Statute of 29 December 1954, shall, notwithstanding the provisions of Article 227, be entitled to ratify this Treaty only on behalf of the Kingdom in Europe and Netherlands New Guinea.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

IMPLEMENTING CONVENTION CONCERNING THE ASSOCIATION WITH THE COMMUNITY OF THE OVERSEAS COUNTRIES AND TERRITORIES

THE HIGH CONTRACTING PARTIES,

BEING DESIROUS of establishing the Implementing Convention provided for in Article 136 of this Treaty,

HAVE AGREED upon the following provisions which shall be annexed to this Treaty:

ARTICLE 1

The Member States shall, under the conditions determined below and complementing the efforts made by the responsible authorities of the countries and territories listed in Annex IV to this Treaty, participate in any measure suitable for the promotion of the social and economic development of those countries and territories.

For this purpose, a Development Fund for the overseas countries and territories shall hereby be set up, into which the Member States shall, over a period of five years, pay the annual contributions provided for in Annex A to this Convention.

The Fund shall be administered by the Commission.

ARTICLE 2

The responsible authorities of the countries and territories shall, in agreement with the local authorities or with the representatives of the populations of the countries and territories concerned, submit to the Commission any social or economic projects for which financing by the Community is requested.

ARTICLE 3

The Commission shall annually draw up general programmes in which the funds available in accordance with Annex B to this Convention shall be allocated to the different classes of projects.

Such general programmes shall contain projects for financing:

- (a) particular social institutions, notably hospitals, teaching or technical research establishments and institutions for vocational training and advancement among the populations of the countries concerned;
- (b) economic investments which are of general benefit and are directly connected with the implementation of a programme which includes productive and concrete plans for development.

ARTICLE 4

At the beginning of each financial year, after consulting the Commission, the Council shall, by means of a qualified majority vote determine the amounts to be devoted to the financing of:

- (a) the social institutions referred to in Article 3 (a);
- (b) the economic investments which are of general benefit and are referred to in Article 3 (b).

The decision of the Council shall aim at a distribution of the amounts available on a rational geographical basis.

ARTICLE 5

1. The Commission shall determine the distribution of the amounts available under Article 4 (a) between the various requests received for the financing of social institutions.

2. The Commission shall draw up proposals for financing those economic investment projects which it is contemplating under Article 4 (b).

It shall communicate these proposals to the Council.

If, within a period of one month, no Member State requests that such proposals be considered by the Council, they shall be regarded as approved.

If such proposals are considered by the Council, the latter shall decide by a qualified majority vote within two months.

3. Any amounts not allocated during any one year shall be carried forward to the following years.

4. The amounts allocated shall be made available to the authorities responsible for carrying out the work concerned. The Commission shall ensure that such amounts are utilised in accordance with the purposes decided upon and expended to the best economic advantage.

ARTICLE 6

Within six months of this Treaty coming into force, on a proposal of the Commission, the Council shall, by a qualified majority vote, lay down rules as to requests for and transfers of financial contributions, budgeting and the administration of the resources of the Development Fund.

ARTICLE 7

The qualified majority referred to in Articles 4, 5 and 6 shall be 67 votes. The Member States shall have the following number of votes:

Belgium	..	..	..	..	11 votes
France	..	..	..	..	33 votes
Germany	..	..	..	..	33 votes
Italy	..	..	..	..	11 votes
Luxembourg	..	..	..	..	1 vote
Netherlands	..	..	..	..	11 votes

ARTICLE 8

The right of establishment shall, in each of the countries or territories, be progressively extended to nationals, firms or companies of Member States other than that State having special relations with the country or territory concerned. During the first year that this Convention is in force, the manner in which this is to be carried out shall be so determined by the Council as to ensure the progressive disappearance during the transitional period of any discrimination. The Council shall so determine by qualified majority vote on a proposal of the Commission.

ARTICLE 9

The customs treatment to be applied to trade between Member States and the countries and territories shall be that provided for in Articles 133 and 134 of this Treaty.

ARTICLE 10

Member States shall, during the period for which this Convention is valid, apply to their trade with the countries and territories the provisions of the Chapter of this Treaty relating to the elimination of quantitative restrictions between Member States which they apply as between themselves during the same period.

ARTICLE 11

1. In each of the countries or territories where import quotas exist, and at the end of the first year after this Convention comes into force, the quotas open to States other than that State with which such country or territory has special relations shall be converted into global quotas open without discrimination to the other Member States. As from the same date, these quotas shall be increased annually by the application of the provisions of Article 32 and of Article 33 (1), (2), (4), (5), (6) and (7) of this Treaty.

2. Where the global quota for a non-liberalised product represents less than 7 per cent. of the total imports into a country or territory, a quota equal to 7 per cent. of such imports shall be established not later than at the end of the first year after this Convention comes into force, and shall be increased annually in accordance with the provisions of paragraph 1.

3. Where, in respect of certain products, no quota has been granted for imports into a country or territory, the Commission shall, by means of a decision, determine the manner in which quotas to be offered to other Member States shall be granted and increased.

ARTICLE 12

In so far as import quotas established by Member States cover both imports coming from a State having special relations with a country or territory and imports coming from that country or territory, the proportion of imports coming from countries and territories shall be the subject of a global quota based on import statistics. Such quota shall be fixed during the first year of application of this Convention and shall be increased in accordance with the rules referred to in Article 2.

ARTICLE 13

The provisions of Article 10 shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality; public policy (*ordre public*); public security; the protection of health and life of humans, animals and plants; the protection of national treasures possessing artistic, historic or archaeological value; or the protection of industrial or commercial property. Such prohibitions or restrictions shall not, however, be used as a means of arbitrary discrimination or a disguised restriction on trade.

ARTICLE 14

After the date of expiry of this Convention and until provision has been made for association for a further period, quotas for imports into the countries and territories, on the one hand, and into the Member States, on the other hand, in respect of products originating in the countries and territories, shall remain at the level fixed for the fifth year. The system in respect of the right of establishment in force at the end of the fifth year shall also be maintained.

ARTICLE 15

1. Imports from third countries of unroasted coffee into Italy and the Benelux countries, and of bananas into the Federal Republic of Germany, shall benefit from tariff quotas in accordance with the Protocols annexed to this Convention.

2. If the Convention expires before the conclusion of a new agreement, Member States shall, pending such new agreement, benefit, in respect of the entry of bananas, cocoa-beans and unroasted coffee, from tariff quotas which shall be at the rates of duty applying at the beginning of the second stage and which are equal to the volume of imports coming from third countries in the course of the last year for which statistics are available.

Such quotas shall, where appropriate, be increased in proportion to the increase of consumption within the importing countries.

3. Member States benefiting from tariff quotas at the rates of duty applied, when this Treaty comes into force, under the Protocols relating to imports of unroasted coffee and bananas coming from third countries, shall be entitled to obtain for these products, in place of the treatment provided for in the preceding paragraph, the maintenance of tariff quotas at the level reached at the date of expiry of this Convention.

Such quotas shall, where appropriate, be increased under the conditions laid down in paragraph 2.

4. The Commission shall at the request of the States concerned determine the volume of the tariff quotas referred to in the preceding paragraphs.

ARTICLE 16

The provisions contained in Articles 1 to 8 inclusive of this Convention shall apply to Algeria and the French overseas departments.

ARTICLE 17

Without prejudice to the application of the provisions of Articles 14 and 15, this Convention shall be valid for a period of five years.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNÍ

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

Annex A referred to in Article 1 of this Convention

Percentages Countries	1st year	2nd year	3rd year	4th year	5th year	Total
	10%	12.5%	16.5%	22.5%	38.5%	100%
IN MILLIONS OF E.P.U. UNITS OF ACCOUNT						
Belgium	7	8.75	11.55	15.75	26.95	70
France	20	25	33	45	77	200
Germany	20	25	33	45	77	200
Italy.. ..	4	5	6.60	9	15.40	40
Luxembourg ..	0.125	0.15625	0.20625	0.28125	0.48125	1.25
Netherlands ..	7	8.75	11.55	15.75	26.95	70

Annex B referred to in Article 3 of this Convention

Percentages Overseas Countries and Territories of:	1st year	2nd year	3rd year	4th year	5th year	Total
	10%	12.5%	16.5%	22.5%	38.5%	100%
IN MILLIONS OF E.P.U. UNITS OF ACCOUNT						
Belgium	3	3.75	4.95	6.75	11.55	30
France	51.125	63.906	84.356	115.031	196.832	511.25
Italy.. ..	0.5	0.625	0.825	1.125	1.925	5
Netherlands ..	3.5	4.375	5.775	7.875	13.475	35

PROTOCOL CONCERNING THE TARIFF QUOTA FOR IMPORTS OF BANANAS

(Ex. 08.01 of the Brussels Nomenclature)

THE HIGH CONTRACTING PARTIES

HAVE AGREED upon the following provisions which shall be annexed to this Convention:

1. Upon the first approximation of external duties as provided for in Article 23, (1) (b) of this Treaty and until the end of the second stage, the Federal Republic of Germany shall benefit by an annual duty-free import quota equal to 90 per cent. of the quantities imported in 1956, less the quantities coming from the countries and territories referred to in Article 131 of this Treaty.

2. When the second stage ends and until the third stage ends that quota shall be 80 per cent. of the quantity defined above.

3. The annual quotas fixed in the preceding paragraphs shall be increased by 50 per cent. of the difference between the total quantities imported during each preceding year and those quantities which were imported in 1956.

If the total of imports decreases by comparison with the year 1956, the annual quotas laid down above shall not exceed 90 per cent. of the imports of each preceding year during the period referred to in paragraph 1 or 80 per cent. of the imports of each preceding year during the period mentioned in paragraph 2.

4. As soon as the common customs tariff is fully applied the quota shall be 75 per cent. of the imports in the year 1956. This quota shall be increased under the conditions laid down in paragraph 3, first sub-paragraph.

If imports have decreased by comparison with the year 1956, the annual quota provided for above shall not exceed 75 per cent. of the imports of each preceding year.

Any decision to abolish or amend this quota shall be made by the Council by a qualified majority vote on a proposal of the Commission.

5. After deducting imports from the countries and territories referred to in Article 131 of this Treaty, the figure of imports for the year 1956, which for the purposes of the above provisions shall serve as the base for calculating quotas, shall be 290,000 tons.

6. If the countries and territories are unable to supply the quantities required by the Federal Republic of Germany in full the Member States concerned declare their readiness to agree to a corresponding increase in the German tariff quota.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK	J. Ch. SNOY et d'OPPUERS
ADENAUER	HALLSTEIN
PINEAU	M. FAURE
Antonio SEGNÍ	Gaetano MARTINO
BECH	Lambert SCHAUS
J. LUNS	J. LINTHORST HOMAN

At the time of signing this Protocol the Plenipotentiary of the Federal Republic of Germany made, on behalf of his Government, the following declaration of which the other Plenipotentiaries took note:

The Federal Republic of Germany declares its readiness to support any measures that may be taken by German private interests to encourage sales of bananas from the associated overseas countries and territories within the Federal Republic.

For this purpose, negotiations shall be started as soon as possible between business circles in the various countries specially* interested in the supply and sale of bananas.

* As in German. The word "specially" does not appear in the French text.

PROTOCOL CONCERNING THE TARIFF QUOTA FOR IMPORTS OF UNROASTED COFFEE

(Ex. 09.01 of the Brussels Nomenclature)

THE HIGH CONTRACTING PARTIES

HAVE AGREED upon the following provisions which shall be annexed to this Convention:

A.—AS REGARDS ITALY

During the first period of association of the overseas countries and territories with the Community and after the first change in customs duties carried out in accordance with Article 23 of this Treaty, imports of unroasted coffee coming from third countries into the territory of Italy shall be subject to the customs duties applying on the date of this Treaty coming into force, up to the amount of an annual quota equal to the total imports into Italy of unroasted coffee from third countries during the year 1956.

As from the sixth year after this Treaty comes into force and until the end of the second stage, the initial quota provided for in the preceding sub-paragraph shall be reduced by 20 per cent.

As soon as the third stage begins and throughout its duration, the quota shall be fixed at 50 per cent. of the initial quota.

For four years after the end of the transitional period, imports of unroasted coffee into Italy may continue to benefit, up to an amount not exceeding 20 per cent. of the initial quota, from the customs duties which applied there when this Treaty came into force.

The Commission shall examine whether the percentage and the period provided for in the preceding sub-paragraph are justified.

The provisions of this Treaty shall apply to any quantities imported outside the quotas provided for above.

B.—AS REGARDS THE BENELUX COUNTRIES

As soon as the second stage begins and throughout its duration, imports of unroasted coffee coming from third countries into the territories of the Benelux countries may continue to be effected free of customs duty, up to a tonnage equal to 85 per cent. of the total quantity of unroasted coffee imported during the last year for which statistics are available.

As soon as the third stage begins and throughout its duration, the duty-free imports referred to in the preceding sub-paragraph shall be reduced to 50 per cent. of the total tonnage of unroasted coffee imported during the last year for which statistics are available.

The provisions of this Treaty shall apply to any quantities imported outside the quotas provided for above.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

CONVENTION RELATING TO CERTAIN INSTITUTIONS COMMON TO THE EUROPEAN COMMUNITIES

HIS MAJESTY THE KING OF THE BELGIANS, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF THE ITALIAN REPUBLIC, HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS,

BEING ANXIOUS to avoid a multiplicity of institutions responsible for the achievement of similar aims within the European Communities which they have constituted,

HAVE DECIDED to create for these Communities certain single institutions and have for this purpose appointed as their Plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS:

M. Paul-Henri SPAAK, Minister for Foreign Affairs,

Baron J. Ch. SNOY et d'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Dr. Konrad ADENAUER, Federal Chancellor,

Professor Dr. Walter HALLSTEIN, State Secretary of the Federal Foreign Office;

THE PRESIDENT OF THE FRENCH REPUBLIC:

M. Christian PINEAU, Minister for Foreign Affairs,

M. Maurice FAURE, Under-Secretary of State for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Sign. Antonio SEGNI, President of the Council of Ministers,

Professor Gaetano MARTINO, Minister for Foreign Affairs;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

M. Joseph BECH, Prime Minister, Minister for Foreign Affairs,

M. Lambert SCHAUS, Ambassador, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

de Heer Joseph LUNS, Minister of Foreign Affairs,

de Heer J. LINTHORST HOMAN, Head of the Netherlands delegation to the Intergovernmental Conference;

WHO, having exchanged their full powers, found in good and due form,
HAVE AGREED as follows:

SECTION I—THE ASSEMBLY

ARTICLE 1

The powers and competence respectively conferred upon the Assembly by the Treaties establishing the European Economic Community and the European Atomic Energy Community shall be exercised, under the conditions respectively laid down in those Treaties, by a single Assembly composed and appointed as provided for both in Article 138 of the Treaty establishing the European Economic Community and in Article 108 of the Treaty establishing the European Atomic Energy Community.

ARTICLE 2

1. The single Assembly referred to in the preceding Article shall, directly it enters upon its duties, replace the Common Assembly provided for in Article 21 of the Treaty establishing the European Coal and Steel Community. It shall have and exercise the powers and competence conferred upon the Common Assembly by that Treaty in conformity with the provisions thereof.

2. For this purpose, Article 21 of the Treaty establishing the European Coal and Steel Community shall, as at the date when the single Assembly mentioned in the preceding Article enters upon its duties, be annulled and replaced by the following provisions:

“ARTICLE 21

“1. The Assembly shall consist of delegates who shall be nominated by the respective Parliaments from among their members in accordance with the procedure laid down by each Member State.

“2. The number of these delegates shall be as follows:

Belgium	..	..	..	..	..	14
France	..	..	..	..	..	36
Germany	..	..	..	..	..	36
Italy	..	..	..	..	..	36
Luxembourg	..	..	..	..	..	6
Netherlands	..	..	..	..	..	14

" 3. The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

" The Council shall unanimously decide on the provisions which it shall recommend Member States to adopt in accordance with their respective constitutional requirements ".

SECTION II—THE COURT OF JUSTICE

ARTICLE 3

The jurisdiction respectively conferred upon the Court of Justice by the Treaties establishing the European Economic Community and the European Atomic Energy Community shall be exercised, under the conditions respectively laid down in those Treaties, by a single Court of Justice composed and appointed as provided for both in Articles 165 to 167 inclusive of the Treaty establishing the European Economic Community and in Articles 137 to 139 inclusive of the Treaty establishing the European Atomic Energy Community.

ARTICLE 4

1. The single Court of Justice mentioned in the preceding Article shall, immediately upon entering upon its duties, replace the Court provided for in Article 32 of the Treaty establishing the European Coal and Steel Community. It shall exercise the jurisdiction conferred upon that Court by the said Treaty in conformity with the provisions thereof.

The President of the single Court of Justice referred to in the preceding Article shall exercise the powers conferred by the Treaty establishing the European Coal and Steel Community on the President of the Court as provided for in that Treaty.

2. For this purpose, as at the date when the single Court of Justice referred to in the preceding Article enters upon its duties,

(a) Article 32 of the Treaty establishing the European Coal and Steel Community shall be revoked and replaced by the following provisions:

" ARTICLE 32

" The Court shall consist of seven judges.

" The Court shall sit in plenary session. It may, however set up within itself sections, each consisting of three or five judges, either to conduct particular measures of investigation or to judge particular classes of cases in accordance with the provisions of regulations made for this purpose.

"The Court shall, however, always sit in plenary session to hear cases submitted to it by a Member State or by one of the institutions of the Community or to deal with the preliminary questions submitted to it pursuant to Article 41.

"Should the Court so request, the Council may by a unanimous decision increase the number of judges and make the necessary amendments to the second and third paragraphs of this Article and Article 32 (b), second paragraph".

"ARTICLE 32 (a)

"The Court of Justice shall be assisted by two advocates-general.

"It shall be the duty of the advocate-general to make reasoned submissions in open Court to the Court of Justices on matters referred to it. He shall do so with complete impartiality and independence, with a view to helping the Court discharge its duties as set out in Article 31.

"Should the Court of Justice so request, the Council may by a unanimous decision increase the number of advocates-general and make the necessary amendments to Article 32 (b), third paragraph."

"ARTICLE 32 (b)

"The judges and the advocates-general shall be chosen from persons whose independence can be fully guaranteed and who fulfil the conditions required for the holding of the highest judicial functions in their respective countries or who are legal experts of universally recognised and outstanding ability; they shall be appointed by common agreement by the Governments of Member States for a term of six years.

"A partial replacement of the Judges of the Court shall take place every three years. Three and four judges shall be replaced alternately. The three judges whose terms of office are to expire at the end of the first period of three years shall be chosen by lot.

"A partial replacement of the advocates-general shall take place every three years. The advocate-general whose term of office is to expire at the end of the first period of three years shall be chosen by lot.

"The retiring judges and advocates-general shall be eligible for reappointment.

"The judges shall appoint from among their members the President of the Court of Justice for a term of three years. Such appointment shall be renewable."

"ARTICLE 32 (c)

"The Court shall appoint its Registrar and determine his status and terms of service.

(b) The provisions of the Protocol on the Statute of the Court of Justice annexed to the Treaty establishing the European Coal and Steel Community shall be abrogated in so far as they are contrary to Articles 32 to 32 (c) inclusive of that Treaty.

SECTION III—THE ECONOMIC AND SOCIAL COMMITTEE

ARTICLE 5

1. The duties respectively conferred upon the Economic and Social Committee by the Treaties establishing the European Economic Community and the European Atomic Energy Community, shall be exercised, under the conditions respectively laid down in those Treaties, by a single Economic and Social Committee composed and appointed as provided for both in Article 194 of the Treaty establishing the European Economic Community and in Article 166 of the Treaty establishing the European Atomic Energy Community.

2. The single Economic and Social Committee referred to in the preceding paragraph shall include a specialised section and may include sub-committees qualified in fields or for questions covered by the Treaty establishing the European Atomic Energy Community.

3. The provisions of Articles 193 and 197 of the Treaty establishing the European Economic Community shall apply to the single Economic and Social Committee mentioned in paragraph 1.

SECTION IV—THE FINANCING OF THESE INSTITUTIONS

ARTICLE 6

The administrative expenses of the single Assembly, the single Court of Justice and the single Economic and Social Committee shall be divided equally between the Communities concerned.

The manner in which effect shall be given to this Article shall be determined by agreement between the competent authorities of each Community.

FINAL PROVISIONS

ARTICLE 7

This Convention shall be ratified by the High Contracting Parties in conformity with their respective constitutional requirements. The instruments of ratification shall be deposited with the Government of the Italian Republic.

This Convention shall come into force on the date on which the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community have both come into force.

ARTICLE 8

The present Convention, drawn up in a single original, in the German, French, Italian and Netherlands languages, all four texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic which shall transmit a certified copy to each of the Governments of the other signatory States.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have affixed their signatures at the end of the present Convention.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK

ADENAUER

PINEAU

Antonio SEGNI

BECH

J. LUNS

J. Ch. SNOY et d'OPPUERS

HALLSTEIN

M. FAURE

Gaetano MARTINO

Lambert SCHAUS

J. LINTHORST HOMAN

PROTOCOL ON THE STATUTE OF THE COURT OF JUSTICE OF THE
EUROPEAN ECONOMIC COMMUNITY

THE HIGH CONTRACTING PARTIES TO THE TREATY
ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY,

BEING DESIROUS of establishing the Statute of the Court provided for by
Article 188 of this Treaty.

HAVE DESIGNATED as their Plenipotentiaries for this purpose:

HIS MAJESTY THE KING OF THE BELGIANS:

Baron J. Ch. SNOY et d'OPPUERS, Secretary-General of the Ministry of
Economic Affairs, Head of the Belgian delegation to the Intergovernmental
Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Professor Dr. Carl Friedrich OPHÜLS, Ambassador of the Federal Republic
of Germany, Head of the German delegation to the Intergovernmental
Conference;

THE PRESIDENT OF THE FRENCH REPUBLIC:

M. Robert MARJOLIN, Professor of Law (*Professeur agrégé des Facultés
de Droit*), Deputy Head of the French delegation to the Intergovernmental
Conference;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Sign. V. BADINI CONFALONIERI, Under-Secretary of State in the
Ministry of Foreign Affairs, Head of the Italian delegation to the Inter-
governmental Conference;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

M. Lambert SCHAUS, Ambassador of the Grand Duchy of Luxembourg,
Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

de Heer J. LINTHORST HOMAN, Head of the Netherlands delegation to
the Intergovernmental Conference;

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED upon the following provisions which shall be annexed to
the Treaty establishing the European Economic Community:

ARTICLE 1

The Court established by Article 4 of this Treaty shall be constituted and shall perform its duties in accordance with the provisions of this Treaty and of this Statute.

TITLE I—STATUS OF THE JUDGES AND THE ADVOCATES-GENERAL

ARTICLE 2

Before entering upon his duties each judge shall in open court take an oath to perform his duties impartially and conscientiously and to preserve the secrecy of the Court's deliberations.

ARTICLE 3

The judges shall be immune from suit and legal process. They shall continue to benefit from such immunity after their functions have ceased in respect of all acts done by them in the course of the performance of their official duties, including words spoken or written.

The Court sitting in plenary session, may suspend this immunity.

Only a Court competent to judge the members of the highest national judiciary in each Member State shall have jurisdiction in criminal proceedings against judges whose immunity has been suspended.

ARTICLE 4

The judges may not hold any political or administrative office.

They may not engage in any paid or unpaid occupation or profession, except by exceptional exemption granted by the Council.

When entering upon their duties, they shall give a solemn undertaking that, both during and after their term of office, they will respect the obligations resulting therefrom, in particular the duty to exercise honesty and discretion as regards accepting certain positions or benefits after they have ceased to hold office.

In case of doubt a decision shall be made by the Court.

ARTICLE 5

Apart from retirements in regular rotation and in the case of death the duties of a judge shall be terminated in individual cases by resignation.

Where a judge resigns, his letter of resignation shall be addressed to the President of the Court for transmission to the President of the Council. This notification shall produce a vacancy on the bench.

Save where Article 6 applies, a judge shall continue to hold office until his successor enters upon his duties.

ARTICLE 6

The judges may be deprived of office or of their right to a pension or alternative advantages only if, in the unanimous opinion of the judges and advocates-general of the Court, they no longer fulfil the required conditions or meet the obligations resulting from their office. The judge concerned shall not take part in these deliberations.

The Registrar of the Court shall communicate the Court's decision to the President of the Assembly and to the President of the Commission and shall notify it to the President of the Council.

In the case of a decision removing a judge from office, such notification shall produce a vacancy on the bench.

ARTICLE 7

A judge appointed to replace a member of the Court whose term of office has not expired shall be appointed for the remainder of that member's term of office.

ARTICLE 8

The provisions of Articles 2 to 7 inclusive shall apply to the advocates-general (*avocats-généralx*).

TITLE II—ORGANISATION

ARTICLE 9

The Registrar shall take an oath before the Court to perform his duties impartially and conscientiously and to preserve the secrecy of the Court's consideration of its judgements (*délibérations*).

ARTICLE 10

The Court shall arrange for the Registrar to be represented by an alternate if he is unable to carry out his duties.

ARTICLE 11

Officials and other employees shall be attached to the Court to enable it to carry out its tasks. They shall be responsible to the Registrar under the authority of the President.

ARTICLE 12

The Council may, by a unanimous decision, on a proposal of the Court, provide for the appointment of assistant Rapporteurs and lay down their terms of service. The assistant Rapporteurs may be required, under conditions to be laid down by the rules of procedure, to participate in the examination of cases pending before the Court and to collaborate with the judge who acts as rapporteur (*juge rapporteur*).

The assistant Rapporteurs shall be chosen from among persons whose independence can be fully guaranteed and who possess the necessary legal qualifications; they shall be appointed by the Council. They shall take an oath before the Court to perform their duties impartially and conscientiously and to preserve the secrecy of the Court's deliberations.

ARTICLE 13

The judges, advocates-general and the Registrar shall reside at the place where the Court has its seat.

ARTICLE 14

The Court shall sit permanently. The length of judicial recesses shall be determined by the Court taking into account the exigencies of its business.

ARTICLE 15

The Court shall be competent to sit only when sitting with an uneven number of members. The decisions of the Court, meeting in plenary session, shall be valid if five members are sitting. The decisions of the Sections are valid only if three judges sit; in the event of one of the judges of a Section being unable to carry out his duties, a judge of another Section may be asked to sit in accordance with conditions which shall be laid down by the rules of procedure.

ARTICLE 16

The judges and advocates-general may not participate in the hearing of cases in which they have previously participated as agent of, legal adviser to, or counsel for one of the parties, or on which they have been called upon to decide as a member of a Court (*tribunal*), of a commission of inquiry or in any other capacity.

If, for some special reason, any judge or advocate-general considers that he should not take part in the judgment or examination of a particular case, he shall so inform the President. If the President considers that any judge or advocate-general should not, for some special reason, sit or make submissions in a particular case, he shall give notice thereof to the person concerned.

The Court shall decide in case of any difficulties arising as to the effect of this Article.

A party may not invoke either the nationality of a judge or the absence from the Court or from a Section of a judge of his own nationality, in order to ask for a change in the composition of the Court or of one of its sections.

TITLE III—PROCEDURE

ARTICLE 17

The States and the institutions of the Community shall be represented before the Court by an agent* appointed for each case; the agent* may be assisted by a legal adviser who is a practising member of the Bar (*avocat inscrit à un barreau*) of one of the Member States.

* *Note.*—The German text says "Bevollmächtigte", i.e. the holder of a power of attorney.

Other parties must be represented by a practising member of the Bar of one of the Member States.

The agents*, legal advisers and counsel appearing before the Court shall have the rights and privileges required for the independent performance of their duties, under conditions to be laid down by the rules of procedure.

The Court shall have, as regards the legal advisers and counsel who appear before it, the powers normally accorded to courts of law, under conditions which will be laid down by the same rules.

Senior teachers (*professeurs*) being nationals of the Member States whose domestic law gives them the right of audience before their own Courts shall have the same rights before the Court as are afforded by this Article to members of the Bar.

ARTICLE 18

The procedure before the Court shall be in two stages: one written and the other oral.

The written procedure shall include communication to the parties, as well as to the institutions of the Community whose decisions are in dispute, of the formal Requests, statements of case, defences, and comments (*requêtes, mémoires, défenses, observations*) and replies (*répliques*), if any, as well as of all supporting documentary evidence and papers or of certified copies thereof.

Such communications shall be made by the Registrar in the sequence and within the time-limits laid down by the rules of procedure.

The oral procedure shall include the reading of the report presented by a judge acting as rapporteur, the hearing by the Court of agents, legal advisers and counsel and of the submissions (*conclusions*) of the advocate-general as well as the hearing, if appropriate, of witnesses and experts.

ARTICLE 19

Proceedings shall be instituted before the Court by a formal Request addressed to the Registrar. The Request shall contain the name and the "*domicile*" of the plaintiff and the status of the signatory, the name of the party against whom the Request is lodged, the subject matter of the dispute, the relief sought and a short summary of the main arguments on which the petition is based.

The formal Request shall be accompanied, where appropriate, by the act (*acte*) the annulment of which is sought or, in the case mentioned in Article 175 of this Treaty, by documentary evidence of the date on which an institution referred to in that Article was called upon to act. If these documents are not attached to the Request, the Registrar shall ask the party concerned to produce them within a reasonable period; in that case the rights of the party shall not lapse even if such documents are produced after the expiry of the time-limit set for the bringing of proceedings.

ARTICLE 20

In cases provided for under Article 177 of this Treaty, the decision of the domestic court which suspends its proceedings and refers a case to the Court

* See note to Article 17.

shall be notified to the Court by the domestic court concerned. Such decision shall then be notified by the Registrar to the parties in the case, to the Member States and to the Commission, and also to the Council if the act the validity or interpretation of which is in dispute originates from the Council.

The parties, the Member States, the Commission and, where appropriate, the Council are entitled to submit statements of Case or written comments to the Court within two months of such notification.

ARTICLE 21

The Court may require the parties to produce all documents and to supply all information which the Court considers desirable. In case of refusal, the Court shall take judicial notice thereof.

The Court may also request Member States and institutions not being parties to the case to supply all information which the Court considers necessary for the proceedings.

ARTICLE 22

The Court may at any time charge any person, body, office, Committee or organ of its own choice with the duty of making an expert examination and report.

ARTICLE 23

Witnesses may be heard in the circumstances to be laid down in the Rules of Procedure.

ARTICLE 24

The Court shall have the powers generally possessed by courts of law as regards defaulting witnesses and may impose pecuniary penalties as shall be laid down by the Rules of Procedure.

ARTICLE 25

Witnesses and experts may be heard on an oath taken in the form laid down by the rules of procedure or in the manner laid down by the domestic law of the witness or expert.

ARTICLE 26

The Court may order that a witness or expert be heard by the judicial authority of his place of residence.

This order shall be sent for execution to the competent judicial authority in accordance with the rules of procedure. The documents obtained in pursuance of these letters of request shall similarly be sent to the Court in accordance with these rules.

The Court shall defray the expenses incurred, subject to the right to charge these expenses, where appropriate, to the parties concerned.

ARTICLE 27

Each Member State shall treat any violation of an oath by a witness or expert in the same manner as if the same offence had been committed before a domestic court dealing with a case in civil proceedings. When the Court

reports such a violation the Member State concerned shall prosecute the offender before the competent domestic court.

ARTICLE 28

Hearings shall be in public unless the Court, of its own volition or at the request of the parties, shall, for substantial reasons, decide otherwise.

ARTICLE 29

During the hearings the Court may examine the experts, the witnesses and the parties themselves. Provided always that the parties may only address the Court through their representative.

ARTICLE 30

A record shall be kept of each hearing, signed by the President and the Registrar.

ARTICLE 31

The cause list shall be settled by the President.

ARTICLE 32

The Court's consideration of cases shall be and shall remain secret.

ARTICLE 33

Judgments shall be reasoned. They shall give the names of the judges responsible for them.

ARTICLE 34

Judgments shall be signed by the President and the Registrar. They shall be read in open court.

ARTICLE 35

The Court shall adjudicate upon costs.

ARTICLE 36

The President of the Court shall have power to decide certain matters by means of a summary procedure, which shall depart, to the extent necessary, from some of the rules contained in this Statute. This summary procedure, the details of which shall be determined by the rules of procedure, shall apply to applications for suspension of operation, as provided for in Article 185 of this Treaty, or to the prescribing of interim measures pursuant to Article 186, or to suspension of enforcement in accordance with Article 192, last paragraph.

In the event of the President being prevented from carrying out his duties, his place shall be taken by another judge in accordance with the rules of procedure.

The decision of the President or of his alternate shall be provisional and shall in no way prejudice the decision of the Court on the substance of the case.

ARTICLE 37

The Member States and the institutions of the Community may intervene in cases before the Court.

The same right shall appertain to any other person who shows that he has a valid interest in the result of any case referred to the Court, except in cases between Member States, between institutions of the Community or between Member States and institutions of the Community.

Submissions contained in the application to intervene shall be limited to supporting the case of one of the original parties to the case.

ARTICLE 38

Where the defendant, after having been duly notified, fails to file a written defence, judgment shall be given on his case by default. A retrial (*opposition*) may be claimed within one month of the judgment being notified. Unless the Court decides otherwise the enforcement of the judgment by default shall not be suspended by a demand for retrial.

ARTICLE 39

The Member States, the institutions of the Community and any other natural or legal persons may, in cases and under conditions to be determined by the rules of procedure, claim as third parties (*tierce-opposition*) a retrial of cases decided without their having been heard, where such judgments are prejudicial to their rights.

ARTICLE 40

In case of difficulty as to the meaning or scope of a judgment, it shall be for the Court to interpret such judgment upon the request of any party or any institution of the Community which shows that it has a valid interest therein.

ARTICLE 41

The Court may be asked to review (*révision*) a judgment only on the ground of discovery of a fact likely to prove of decisive importance which was unknown to the Court and to the party requesting such review prior to the pronouncement of such judgment.

The procedure for review shall commence by a judgment of the Court expressly finding that a new fact exists, recognising therein the characteristics giving rise to review and holding the request for review to be entertainable for that reason.

No request for review may be introduced after the expiry of a period of ten years after the date of the judgment.

ARTICLE 42

Periods of grace on grounds of distance shall be determined by the rules of procedure.

There shall be no lapse of rights through the expiry of time-limits if the party concerned proves the existence of an unforeseeable circumstance or *force majeure*.

ARTICLE 43

Proceedings against the Community in matters arising from non-contractual responsibility shall be statute-barred after a period of five years from the occurrence of the circumstance giving rise thereto. The running of time shall be interrupted by the institution of proceedings before the Court or by a prior formal demand directed to the relevant institution of the Community by the aggrieved party. In this event proceedings must be instituted within the two months provided for in Article 173; the provisions of Article 175, second paragraph, shall apply, where appropriate.

ARTICLE 44

The rules of procedure of the Court provided for under Article 188 of this Treaty shall contain, apart from the provisions contemplated by this Statute, any other provisions necessary for the latter's implementation and, where necessary, for its supplementation.

ARTICLE 45

The Council may, by means of a unanimous vote, make such further amendments to the provisions of this Statute as may be required by reason of measures taken by the Council under the terms of the last paragraph of Article 165 of this Treaty.

ARTICLE 46

Immediately after taking the oath, the President of the Council shall proceed to choose by lot the judges and the advocates-general whose term of office is to expire at the end of the first period of three years in accordance with the second and third paragraphs of Article 167 of this Treaty.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have affixed their signatures at the end of the present Protocol.

DONE at Brussels, on the seventeenth day of April in the year one thousand nine hundred and fifty-seven.

J. Ch. SNOY et d'OPPUERS

C. F. OPHÜLS

Robert MARJOLIN

Vittorio BADINI

Lambert SCHAUS

J. LINTHORST HOMAN

PROTOCOL ON THE PRIVILEGES AND IMMUNITIES OF THE EUROPEAN ECONOMIC COMMUNITY

THE HIGH CONTRACTING PARTIES TO THE TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY,

CONSIDERING that in accordance with the terms of Article 218 of this Treaty the Community shall enjoy the privileges and immunities essential to its work in the territories of the Member States, as shall be provided for in a separate Protocol,

CONSIDERING that in accordance with the terms of Article 28 of the Protocol on the Statute of the European Investment Bank, the Bank shall enjoy the privileges and immunities laid down in the Protocol referred to in the preceding paragraph.

HAVE DESIGNATED as Plenipotentiaries for the drawing up of this Protocol:

HIS MAJESTY THE KING OF THE BELGIANS:

Baron J. Ch. SNOY et d'OPPUERS, Secretary-General of the Ministry of Economic Affairs, Head of the Belgian delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:

Professor Dr. Carl Friedrich OPHÜLS, Ambassador of the Federal Republic of Germany, Head of the German delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE FRENCH REPUBLIC:

M. Robert MARJOLIN, Professor of Law (*Professeur agrégé des Facultés de Droit*), Deputy Head of the French delegation to the Intergovernmental Conference;

THE PRESIDENT OF THE ITALIAN REPUBLIC:

Sign. V. BADINI CONFALONIERI, Under-Secretary of State in the Ministry of Foreign Affairs, Head of the Italian delegation to the Intergovernmental Conference;

HER ROYAL HIGHNESS THE GRAND DUCHESS OF LUXEMBOURG:

M. Lambert SCHAUS, Ambassador of the Grand Duchy of Luxembourg, Head of the Luxembourg delegation to the Intergovernmental Conference;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

de Heer J. LINTHORST HOMAN, Head of the Netherlands delegation to the Intergovernmental Conference;

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED upon the following provisions which shall be annexed to the Treaty establishing the European Economic Community:

CHAPTER I—PROPERTY, FUNDS, ASSETS AND OPERATIONS OF THE COMMUNITY

ARTICLE 1

The premises and buildings of the Community shall be inviolable. They shall be exempt from search, requisition, confiscation or expropriation. The property and assets of the Community shall not be the subject of any administrative or legal measure of constraint without the authorisation of the Court of Justice.

ARTICLE 2

The archives of the Community shall be inviolable.

ARTICLE 3

The Community, its assets, income and other property shall be exempt from all direct taxes.

The Governments of Member States shall, wherever possible, take the appropriate measures to remit or refund the amount of indirect taxes or sales taxes included in the price of movable or immovable property where the Community makes, for its official use, major purchases in the price of which taxes of these types are included. Provided always that these provisions shall not be so applied as to distort conditions of competition within the Community.

No exemption shall be granted in respect of taxes or other charges which amount to charges for public utility services.

ARTICLE 4

The Community shall be exempt from all customs duties and prohibitions and restrictions on imports and exports in respect of articles intended for its official use; articles so imported shall not be disposed of whether in return for valuable consideration or not, in the territory of the country into which they have been imported, except under conditions approved by the government of such country.

The Community shall also be exempt from any customs duties and any prohibitions and restrictions on imports and exports in respect of its publications.

CHAPTER II—COMMUNICATIONS AND PASSES

ARTICLE 5

As regards their official communications and the transfer of all their documents the institutions of the Community shall enjoy in the territory of each Member State the treatment granted by that State to diplomatic missions.

Official correspondence and other official communications of the institutions of the Community shall not be subject to censorship.

ARTICLE 6

Passes in a form to be laid down by the Council and which shall be recognised as valid for travel purposes by the authorities of the Member States may be issued to members and servants of the institutions of the Community by the presidents of these institutions. Such passes shall be issued to officials and servants under conditions laid down by the terms of service provided for in Article 212 of this Treaty.

The Commission may conclude agreements for these passes to be recognised in the territory of third countries as valid travel documents.

CHAPTER III—MEMBERS OF THE ASSEMBLY

ARTICLE 7

No restrictions of an administrative or other nature shall be imposed on the free movement of members of the Assembly proceeding to or coming from the place of meeting of the Assembly.

Members of the Assembly shall, in respect of customs and exchange control, be accorded:

- (a) by their own government, the same facilities as those accorded to senior officials proceeding abroad on temporary official duty;
- (b) by the governments of other Member States, the same facilities as those accorded to representatives of foreign governments on temporary official duty.

ARTICLE 8

Members of the Assembly may not be the subject of any form of inquiry, detention or prosecution in respect of opinions expressed or votes cast by them in the exercise of their duties.

ARTICLE 9

During the sessions of the Assembly, its members shall enjoy:

- (a) in their national territory, the immunities accorded in their country to Members of Parliament;
- (b) in the territory of all other Member States, immunity from any measure of detention and immunity from suit and legal process.

This immunity shall also apply when they are proceeding to and from the place of meeting of the Assembly.

Such immunity shall not, however, apply when a member is found in the act of committing a serious offence (*flagrant délit*), and shall not prevent the Assembly from exercising its right to waive the immunity of one of its members.

CHAPTER IV—REPRESENTATIVES OF MEMBER STATES TAKING PART IN THE WORK OF THE INSTITUTIONS OF THE COMMUNITY

ARTICLE 10

Representatives of Member States taking part in the work of the institutions of the Community, as well as their advisers and technical experts shall, during the exercise of their duties and during their travel to and from the place of meeting, be accorded the customary privileges, immunities and facilities.

This Article shall also apply to members of the consultative organs of the Community.

CHAPTER V—OFFICIALS AND OTHER SERVANTS OF THE COMMUNITY

ARTICLE 11

In the territory of each Member State and whatsoever their nationality, the officials and other servants of the Community referred to in Article 212 of this Treaty:

- (a) shall, subject to the provisions of Articles 179 and 215 of this Treaty, be immune from suit and legal process in respect of acts done by them in the course of the performance of their official duties, including their spoken or written words; they shall continue to benefit from such immunity after their duties have ceased;
- (b) shall, together with their spouses and the members of their families dependent on them, not be subject to immigration restrictions or to formalities for the registration of foreign persons;

- (c) shall, in respect of currency or exchange rules, be accorded the same facilities as are accorded by custom to the officials of international organisations;
- (d) shall have the right to import, free of duty, from the country of their last residence or from the country of which they are nationals their furniture and effects at the time of first taking up their post in the country concerned and the right to re-export, free of duty, their furniture and effects, on the termination of their duties in that country, subject in either case to the conditions deemed necessary by the government of the country in which this right is exercised;
- (e) shall have the right to import free of duty their motor car for their personal use, purchased either in the country of their last residence or in the country of which they are nationals on the terms ruling in the latter's home market, and to re-export it free of duty, subject in either case to the conditions deemed necessary by the government of the country concerned.

ARTICLE 12

Subject to the conditions and in accordance with the procedure laid down by the Council acting on proposals submitted by the Commission within one year of this Treaty coming into force, the officials and servants of the Community shall be liable, for the benefit of the latter, to a tax on the salaries, wages and emoluments paid to them by it.

They shall be exempt from national taxes on salaries, wages and emoluments paid by the Community.

ARTICLE 13

In respect of income tax, of capital tax, of death duties and the application of conventions on the avoidance of double taxation concluded between Member States of the Community, the officials and servants of the Community who, solely by reason of the exercise of their duties in the service of the Community, establish their residence in the territory of a Member State other than the country where they have their residence for tax purposes at the time of their entry into the service of the Community, shall be considered both in the country of their actual residence and in the country of residence for tax purposes as having maintained their residence in the latter country provided that it is a member of the Community. This provision shall also apply to a spouse, to the extent that the latter is not gainfully employed and to children dependent on and in the care of the persons referred to in this Article.

Movable property belonging to persons referred to in the preceding paragraph and situated in the territory of the country of actual residence shall be exempted from death duties in that country; it shall, for the assessment of such duty, be considered as being in the country of residence for tax purposes, subject to the rights of third countries and to the possible future application of the provisions of international conventions on double taxation.

Any residence acquired solely by reason of the exercise of duties in the service of other international organisations shall not be taken into consideration in applying the provisions of this Article.

ARTICLE 14

The Council shall, by means of a unanimous decision, on a proposal which the Commission shall submit within one year of this Treaty's coming into force, lay down rules governing social security benefits for officials and servants of the Community.

ARTICLE 15

The Council, acting on a proposal of the Commission and after the other institutions concerned have been consulted, shall determine the classes of officials and servants of the Community to whom the provisions of Articles 11, 12, second paragraph, and 13 shall apply in whole or in part.

The names, positions and addresses of officials and servants included in such categories shall be communicated periodically to the governments of Member States.

CHAPTER VI—PRIVILEGES AND IMMUNITIES OF MISSIONS TO THE COMMUNITY

ARTICLE 16

The Member State in whose territory the Community has its seat shall grant the customary diplomatic immunities to the missions of third countries accredited to the Community.

CHAPTER VII—GENERAL PROVISIONS

ARTICLE 17

Privileges, immunities and facilities are granted to officials and servants of the Community solely in the interest of the Community.

Each institution of the Community shall waive the immunity granted to an official or servant wherever that institution considers that the waiver of such immunity is not contrary to the interests of the Community.

ARTICLE 18

The institutions of the Community shall, for the purposes of applying this Protocol, act in concert with the responsible authorities of the Member States concerned.

ARTICLE 19

Articles 11 to 14 inclusive and Article 17 shall apply to members of the Commission.

ARTICLE 20

Articles 11 to 14 inclusive and Article 17 shall, subject to the provisions of Article 3 of the Protocol on the Statute of the Court of Justice concerning immunity from suit and legal process of judges and advocates-general, apply to the judges, the advocates-general, the Registrar and the assistant rapporteurs of the Court of Justice.

ARTICLE 21

This Protocol shall, subject to the provisions of the Protocol on the Statute of the European Investment Bank, also apply to the latter, to the members of its institutions, to its staff and to the representatives of Member States who participate in its activities.

The European Investment Bank shall also be exempt from any fiscal or para-fiscal charge when it is founded and when its capital is increased and from the various formalities which might be connected therewith in the State where the Bank has its seat. Similarly its dissolution and its liquidation shall not give rise to the levying of any charge. Finally the activities of the Bank and of its institutions carried on in accordance with its Statute, shall not be subjected to any turn-over tax.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have affixed their signatures at the end of the present Protocol.

DONE at Brussels, on the seventeenth day of April in the year one thousand nine hundred and fifty-seven.

J. Ch. SNOY et d'OPPUERS

C. F. OPHÜLS

Robert MARJOLIN

Vittorio BADINI

Lambert SCHAUS

J. LINTHORST HOMAN

III

FINAL ACT AND DECLARATIONS

FINAL ACT

THE INTERGOVERNMENTAL CONFERENCE ON THE COMMON MARKET AND EURATOM, set up on 29 May 1956 in Venice by the Ministers of Foreign Affairs of the Kingdom of Belgium, of the Federal Republic of Germany, of the French Republic, of the Italian Republic, of the Grand Duchy of Luxembourg, and of the Kingdom of the Netherlands, having continued its work in Brussels and having, on the conclusion of its deliberations, met in Rome on 25 March 1957, HAS DECIDED ON THE FOLLOWING ENACTMENTS:

I

1. The TREATY establishing the European Economic Community and the Annexes thereto;
2. The Protocol concerning the Statute of the European Investment Bank;
3. The Protocol concerning German internal trade and connected problems;
4. The Protocol concerning certain provisions affecting France;
5. The Protocol concerning Italy;
6. The Protocol concerning the Grand Duchy of Luxembourg;
7. The Protocol concerning goods originating in and coming from certain countries and enjoying special treatment on importation into one of the Member States;
8. The Protocol concerning the treatment to be accorded to products falling within the competence of the European Coal and Steel Community in respect of Algeria and the Overseas Departments of the French Republic;
9. The Protocol concerning mineral oils and certain of their derivatives;
10. The Protocol concerning the application of the Treaty establishing the European Economic Community to the non-European parts of the Kingdom of the Netherlands;
11. The Implementing Convention concerning the Association with the Community of the overseas countries and territories and the Annexes thereto;
12. The Protocol concerning the tariff quota for imports of bananas;
13. The Protocol concerning the tariff quota for imports of unroasted coffee.

II

1. *The TREATY establishing the European Atomic Energy Community, and the Annexes thereto;

* Not Printed.

2. *The Protocol concerning the application of the Treaty establishing the European Atomic Energy Community to the non-European parts of the Kingdom of the Netherlands.

III

The CONVENTION relating to certain institutions common to the European Communities.

At the time of signing the above enactments the Conference adopted the Declarations set out below and annexed to this Act:

1. A Common Declaration concerning co-operation with States which are Members of international organisations;
2. A Common Declaration concerning Berlin;
3. A Declaration of Intention with a view to associating the independent countries of the franc area with the European Economic Community;
4. A Declaration of Intention with a view to associating the Kingdom of Libya with the European Economic Community;
5. A Declaration of Intention concerning the Trusteeship Territory of Somalia currently under the administration of the Italian Republic;
6. A Declaration of Intention in respect of the association of Surinam and the Netherlands Antilles with the European Economic Community.

The Conference further took note of the Declarations set out below and annexed to this Act:

1. A Declaration by the Government of the Federal Republic of Germany concerning the definition of German nationals;
2. A Declaration by the Government of the Federal Republic of Germany concerning the application of the Treaties to Berlin;
3. *A Declaration by the Government of the French Republic concerning applications for patents covering information classified for reasons of defence.

Finally, the Conference decided to prepare at a later date:

1. The Protocol on the Statute of the Court of Justice of the European Economic Community;
2. The protocol on the Privileges and Immunities of the European Economic Community;
3. *The Protocol on the Statute of the Court of Justice of the European Atomic Energy Community;
4. *The Protocol on the Privileges and Immunities of the European Atomic Energy Community.

* Not Printed.

Protocol 1 and Protocol 2 shall be Annexes to the Treaty establishing the European Economic Community; Protocol 3 and Protocol 4 shall be Annexes to the Treaty establishing the European Atomic Energy Community.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have affixed their signatures at the end of the present Final Act.

DONE at Rome, on the twenty-fifth day of March in the year one thousand nine hundred and fifty-seven.

P. H. SPAAK	J. Ch. SNOY et d'OPPUERS
ADENAUER	HALLSTEIN
PINEAU	M. FAURE
Antonio SEGNI	Gaetano MARTINO
BECH	Lambert SCHAUS
J. LUNS	J. LINTHORST HOMAN

COMMON DECLARATION CONCERNING CO-OPERATION WITH
STATES WHICH ARE MEMBERS OF INTERNATIONAL
ORGANISATIONS

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE
FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC, THE
ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG AND
THE KINGDOM OF THE NETHERLANDS,

AT THE TIME of signing the Treaties setting up between themselves the
European Economic Community and the European Atomic Energy Community.

BEING CONSCIOUS of the responsibilities which they assume for the future
of Europe by uniting their markets, by bringing their economies closer together
and by laying down the principles and particulars of a common policy in this
field,

RECOGNISING that, by setting up a customs union and developing close
collaboration between themselves in the peaceful development of nuclear
energy, they will be ensuring economic and social progress and thus contributing
not only to their own prosperity but also to that of other countries,

BEING ANXIOUS to associate such countries with the prospects of expansion
afforded by the establishment of these Communities,

DECLARE THAT, as soon as these Treaties come into force, they will be
willing to conclude agreements with other countries, particularly within the
framework of the international organisations to which they belong, in order to
achieve those objectives which will be generally beneficial and to ensure the
harmonious development of international trade in general.

COMMON DECLARATION CONCERNING BERLIN

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE
FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC,
THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG
AND THE KINGDOM OF THE NETHERLANDS,

HAVING REGARD to the special position of Berlin and the necessity for
affording it the support of the free world.

ANXIOUS to confirm the solidarity which links them to the population
of Berlin,

WILL USE THEIR GOOD OFFICES within the Community in order
that all necessary measures may be taken to ease the economic and social
situation of Berlin, to promote its development and to ensure its economic
stability.

**DECLARATION OF INTENTION WITH A VIEW TO ASSOCIATING
THE INDEPENDENT COUNTRIES OF THE FRANC AREA WITH
THE EUROPEAN ECONOMIC COMMUNITY**

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE
FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC,
THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG
AND THE KINGDOM OF THE NETHERLANDS,

TAKING INTO CONSIDERATION the economic, financial and monetary
agreements and conventions concluded between France and the other indepen-
dent countries of the franc area,

BEING ANXIOUS to maintain and develop the traditional currents of trade
between the Member States of the European Economic Community and these
independent countries and to contribute to the economic and social development
of the latter,

DECLARE THEIR READINESS, as soon as this Treaty comes into force,
to propose to those countries the opening of negotiations with a view to con-
cluding conventions for economic association with the Community.

DECLARATION OF INTENTION WITH A VIEW TO ASSOCIATING
THE KINGDOM OF LIBYA WITH THE EUROPEAN ECONOMIC
COMMUNITY

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE
FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC,
THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG
AND THE KINGDOM OF THE NETHERLANDS,

TAKING INTO CONSIDERATION the economic links existing between
Italy and the Kingdom of Libya,

BEING ANXIOUS to maintain and develop the traditional currents of trade
between the Member States of the Community and the Kingdom of Libya and
to contribute to the economic and social development of the latter,

DECLARE THEIR READINESS, as soon as this Treaty comes into force,
to propose to the Kingdom of Libya the opening of negotiations with a view
to concluding conventions for economic association with the Community.

**DECLARATION OF INTENTION CONCERNING THE TRUSTEESHIP
TERRITORY OF SOMALIA CURRENTLY UNDER THE ADMINISTRA-
TION OF THE ITALIAN REPUBLIC**

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE
FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC,
THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG
AND THE KINGDOM OF THE NETHERLANDS,

BEING ANXIOUS, at the time of signing the Treaty establishing between
themselves the European Economic Community, to define the scope of the
provisions of Article 131 and Article 227 of the said Treaty, in view of the fact
that under Article 24 of the Trusteeship Agreement for the Territory of Somalia
the Italian administration of that Territory will end on 2 December 1960,

HAVE AGREED to reserve to the authorities, who will after that date be
responsible for the external relations of Somaliland, the right to confirm the
association of that Territory with the Community, and declare their readiness
to propose, if need be, to these authorities the opening of negotiations with a
view to concluding conventions for economic association with the Community.

DECLARATION OF INTENTION WITH A VIEW TO ASSOCIATING
SURINAM AND THE NETHERLANDS ANTILLES WITH THE
EUROPEAN ECONOMIC COMMUNITY

THE GOVERNMENTS OF THE KINGDOM OF BELGIUM, THE
FEDERAL REPUBLIC OF GERMANY, THE FRENCH REPUBLIC,
THE ITALIAN REPUBLIC, THE GRAND DUCHY OF LUXEMBOURG
AND THE KINGDOM OF THE NETHERLANDS,

TAKING INTO CONSIDERATION the close links which unite the parts of
the Kingdom of the Netherlands,

BEING ANXIOUS to maintain and intensify the traditional currents of trade
between the Member States of the European Economic Community, on the
one hand, and Surinam and the Netherlands Antilles, on the other hand, and
to contribute to the economic and social development of these countries,

DECLARE THEIR READINESS, as soon as this Treaty comes into force,
and at the request of the Kingdom of the Netherlands, to open negotiations
with a view to concluding conventions for the economic association of Surinam
and the Netherlands Antilles with the Community.

**DECLARATION BY THE GOVERNMENT OF THE FEDERAL REPUBLIC
OF GERMANY CONCERNING THE DEFINITION OF GERMAN
NATIONALS**

On the occasion of the signing of the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community, the Government of the Federal Republic of Germany makes the following declaration:

“All Germans within the meaning of the Basic Law for the Federal Republic of Germany shall be deemed to be nationals of the Federal Republic of Germany.”

**DECLARATION BY THE GOVERNMENT OF THE FEDERAL REPUBLIC
OF GERMANY CONCERNING THE APPLICATION OF THE TREATIES
TO BERLIN**

The Government of the Federal Republic of Germany reserves the right to declare, when depositing its instruments of ratification, that the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community shall also apply to Land Berlin.

Treaty

establishing

The European Economic Community

Rome, 25th March, 1957



(N.B. This translation has been prepared for the convenience of Parliament and the public. It must not be treated as an official or an authentic text. Readers are reminded that the official and authentic text of the Treaty exists only in the French, German, Italian and Dutch languages. Copies in these languages can be obtained through H.M. Stationery Office Bookshops at the addresses on the back cover.)

LONDON

HER MAJESTY'S STATIONERY OFFICE

TEN SHILLINGS NET

INDEX

	<i>Page</i>
Preamble	1
PART ONE.—Principles	3
PART TWO.—Foundations of the Community	6
Title I.—Free Movement of Goods	6
Chapter 1: The customs union	7
Section 1: The elimination of customs duties as between Member States.	7
Section 2: Establishment of the common customs tariff ..	9
Chapter 2: The elimination of quantitative restrictions as between Member States.	13
Title II.—Agriculture	16
Title III.—The Free Movement of Persons, Services and Capital	21
Chapter 1: Labour	21
Chapter 2: The right of establishment	23
Chapter 3: Services	25
Chapter 4: Capital	27
Title IV.—Transport	29
PART THREE.—Policy of the Community	32
Title I.—Common Rules	32
Chapter 1: Rules of competition	32
Section 1: Rules applying to undertakings	32
Section 2: Dumping practices	34
Section 3: Aids granted by States	35
Chapter 2: Fiscal provisions	37
Chapter 3: Approximation of laws	38
Title II.—Economic policy	38
Chapter 1: Policy relating to economic trends	38
Chapter 2: Balance of payments	39
Chapter 3: Commercial policy	41
Title III.—Social policy	44
Chapter 1: Social provisions	44
Chapter 2: The European Social Fund	45
Title IV.—The European Investment Bank	47
PART FOUR.—Association of Overseas Countries and Territories ..	48

	<i>Page</i>
PART FIVE.—The Community's Institutions	50
Title I.—Institutional Provisions	50
Chapter 1: The Institutions	50
Section 1: The Assembly	50
Section 2: The Council	51
Section 3: The Commission	53
Section 4: The Court of Justice	55
Chapter 2: Provisions common to several Institutions ..	60
Chapter 3: The Economic and Social Committee ..	61
Title II.—Financial Provisions	63
PART SIX.—General and Final Provisions	68
The setting up of the Institutions	74
Final Provisions	75

APPENDICES

Page

I. ANNEXES

Annex I.	Lists A to G inclusive referred to in Articles 19 and 20 of the Treaty.	78
Annex II.	List referred to in Article 38 of the Treaty	107
Annex III.	List of invisible transactions referred to in Article 106 of the Treaty.	111
Annex IV.	Overseas countries and territories to which the provisions of Part Four of the Treaty apply.	115

II. PROTOCOLS AND CONVENTIONS

Protocol concerning the Statute of the European Investment Bank	119
Protocol concerning internal German trade and connected problems	130
Protocol concerning certain provisions affecting France	131
Protocol concerning Italy	133
Protocol concerning the Grand Duchy of Luxembourg	134
Protocol concerning goods originating in and coming from certain countries and enjoying special treatment on importation into one of the Member States.	135
Protocol concerning the treatment to be accorded to products falling within the competence of the European Coal and Steel Community in respect of Algeria and the Overseas Departments of the French Republic.	136
Protocol concerning mineral oils and certain of their derivatives ..	137
Protocol concerning the application of the Treaty establishing the European Economic Community to the non-European parts of the Kingdom of the Netherlands.	138
Implementing Convention concerning the Association with the Community of the Overseas Countries and Territories.	139
Protocol concerning the tariff quota for imports of bananas ..	145
Protocol concerning the tariff quota for imports of unroasted coffee	147
Convention relating to certain institutions common to the European Communities.	149
Protocol on the Statute of the Court of Justice of the European Economic Community.	155
Protocol on the Privileges and Immunities of the European Economic Community.	164

III. FINAL ACT AND DECLARATIONS

Final Act of the Inter-Governmental Conference on the Common Market and Euratom.	173
Common Declaration concerning co-operation with States which are Members of international organisations.	176
Common Declaration concerning Berlin	177
Declaration of intention with a view to associating the independent countries of the franc area with the European Economic Community.	178
Declaration of intention in respect of the association of the Kingdom of Libya with the European Economic Community.	179
Declaration of intention concerning the Trusteeship Territory of Somalia currently under the administration of the Italian Republic.	180
Declaration of intention in respect of the association of Surinam and the Netherlands Antilles with the European Economic Community.	181
Declaration by the Government of the Federal Republic of Germany concerning the definition of German nationals.	182
Declaration by the Government of the Federal Republic of Germany concerning the application of the Treaties to Berlin.	183